

FINANCIALTIMES PUBLISHED IN LONDON AND FRANKFURT

Banks plan

European

travellers'

A major realignment in the European travellers

After a meeting in Brussels ber with Thomas Cook Bankers, yesterday, banks from 17 Euro- It went on: "Their objectives

cheque organisation centred on in several currencies and under Midland Bank's Thomas Cook the full control of those Euro

banking and travel organisa- pean institutions.

It went on: "Their objectives

are to create a European travel-

lers' cheque organisation open to all European banks, issuing

would provide the "best pos-

The eventual aim is to intro-

duce a full, unified travellers'

cheque system in Europe. Pre-

sent national systems on the

Continent have tended to be

fragmented, or subordinated to

American systems.

It is likely that the various systems devised by Thomas

Cook, which already issues multi-currency cheques, will be employed as the basis for the planned European network.

This will include Cook's various

computer and refund systems.

pletely new travellers' cheque,

replacing others run by the various participating banks, and to be called the "European

The growing competition for the cheque business has been

marked in some countries

recently by a waiving by banks of fees on issues. In the U.S. there has been a dispute over

advertising standards in cart ass-

This represents the time lag

Mr. James D. Robinson, chair-

man of American Express, said

travellers' cheque."

four major international ing for business.

vellers' cheque groups, with Many banks rely for much of European-aligned Thomas the profitability of their travel-

Cook consortium forming the lers' cheque operations on what strongest competition yet to the is known as the money "float."

This realignment also has between issue or sale of the

deeper implications than the cheques and their presentation

senior bankers said last night. The funds imporarily unused it was seen as part of the in this period can be invested realignment in international profitably by the issuing banks,

payments systems, in which the particularly at the high returns

West German banks in particu-lar have taken a notable anti-and sterling interbank money markets.

The Germans, especially Officials at Midland Bank Deutsche Bank, have frequently described the planned European

argued for a European alterna- cheque system as having the tive to credit card systems like potential to become a "major

The Brussels announcement his company was enthusiastic revealed that a large majority about the link with French of banks and financial institu-

tions from 17 European countries had decided to start the world whenever mutual
detailed negotiations in Novembenefits can be derived."

The end result will be a com-

sible service worldwide"

the banks' customers.

added that these aims

cheque market appeared imminent last night.

cheque

JOHN EVANS

pean countries agreed to nego-tiate with the aim of forming a unified European travellers'

David McWilliam,

senior Midland executive, said

last night that the reorganisa-

tion could involve sale of the

travellers' cheque division of

Thomas Cook to a European

He stressed that negotiations

were still at a very early stage, with a number of possible out-

The Thomas Cook develop-ment has all the signs of an emerging battle for the \$31bn worldwide travellers' cheque

market, at present dominated by the U.S.-originated systems of

American Express, Bank of

Last night American Expres

announced that three leading

French banks-Crédit Lyonnais, Banque National de Paris and

negotiation with it for joint

issue of a uniform French franc

travellers' cheque. American Express said it was

in pegotiation with banks in

travellers' cheque groups, with the European-aligned Thomas

and Barclays are leading mem-

U.S.-dominated market.

ney even unliv emerge

travellers' cheque business, and payment, senior bankers said last night. The funds i

Visa, of which Bank of America worldwide force."

Agricole-

America and Citibank

Mer rauntries.

banking consortium.

Friday September 28 1979



CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 4.25; FRANCE Fr 3.5; GERMANY, DM 2.0; ITALY, L 700; NETHERLANDS FI 2.0; NORWAY, Kr 4.25; PORTUGAL ELG 25; SPAIN Pts 80;

### NEWS SUMMARY

### GENERAL

### Rhodesia Golds raid on surge; guerrilla base

Zimbabwe Rhodesian security forces launched their first crossborder raid since the start of the London Constitutional Con-ference on September 10 when air and ground forces struck at a ZANLA base inside Mozam-

An official communique said the raid was a "self defence operation." It was the second into Mozambique this month. Bridget Bloom writes: the Lancaster House conference is unlikely to reach agreement on a new constitution for an inde-pendent Zimbabwe before the middle of next week.

It became clear that, the leaders of the three delegations will not meet in plenary session until early next week.

Talks were continuing with an official session between the Gov-ernment and Bithop Muzorewa's delegation.

### Liberals reject troops proposal

An attempt to commit the Liberal Party to fixing a date for the withdrawal of British troops from Northern Ireland and replacing them with a UN

and replacing them with a UN
peace-keeping force, was defeated by a big majority at the
party's Margate assembly.
Only Cyrll Smith spoke
strongly in favour of the
proposal and called for a
united Ireland and a new initiative in Ulster. Page 9;
Politics Today, Page 19 Politics Today, Page 19

Gracie Fields dies Dame Gracle Fields, the millgirl from Rochdere, who became a star, climing the ball her home on Capri, where she had lived for 30 years.

Obituary, Page 17

### ITV pay vote

The 6,000 members of the neering industry. Each Page Association of Cinematograph, Television and Allied Technicians were advised to vote against independent television's offer of about 37; per cent over two years. Page 14

### Ceausescu move

Romania's President Nicolae Ceausescu will be the only Warsaw Pact leader not attending next week's celebration of East Germany's 30th anni-versary, apparently reflecting the widening rift between his country and the Soviet Union.

### Fishing protest

Breton fishermen dumped lobsters and craylish into Ruscoff harbour and boarded a cross-Channel ferry in protest at British regulations on shrimp boat nets. Page 31

### Stevas probe

John Stevas, Leader of the but oil consumption in June and House, infringed electoral regulations by overspending by with last year. Page 8 £1,000 in his campaign.

### Animal outcry

RSPCA officials were called to Heathrow Airport when two men tried to fl yto Kuwait with a consignment of racing pigeons, canaries and rabbits packed in tiny crates and cages with no water. The creatures were later loaded into taxis and

### taken into London.

Pope's flight A jumbo jet named St. Patrick containing a bed, armchair, table and cruciffs will take the Pope to Ireland and the U.S. The Boeing 747 flight will be coded

### Aer Lingus 1.

Basque region.

Briefly . . . a policeman wounded in shooting incidents in Spain's

# Gilts in demand

• EQUITIES went ahead for the FT ordinary index put on 3.1 to 473.0. Gold shares were buoyant on the upsurge in the builtion price and the Gold Mines index rose 20.6 to 247.1, its highest since November

• GILTS were in demand and



Government Securities index closed 0.03 up at 72.66.

• STERLING rose 1.47 cents to \$2.2032 and its trade-weighted index rose to 69.1 (68.7). The dollar's index fell to 83.7 (84.2).

● GOLD rose \$181 to a record close of \$395! in London, reflecting upward pressure in New

York and Hong Kong. at 886.86 just before the • WALL STREET was 0.51 cp

s ENGINEERING Employe Federation has admitted that one of its largest member companies, GEC, is questioning the usefulness of a national negotiating procedure in the engi-

• SEALINK UK, the British Rail ferry company, is pulling out of a revenue-pooling agree-ment with European Ferries in lead to a fare-cutting war among ferry operators on the English Channel Back Page

O THORN ELECTRICAL Industries' £26m bid for the French TV rental company Locatel is to be investigated by the French Economics Ministry monopolies commission. Back Page

COLGATE PALMOLIVE'S negotiations to sell its cosmetics subsidiary Helena Rubinstein to L'Orcal of Paris have collapsed.

• BP'S THINK TANK has warned that many large energy users could face serious fuel shortages in the next few years unless more energy is conserved and production of sources other Director of Public Prosecutions than oil stepped up. Britain has asked police to investigate used 5.5 per cent more energy a complaint that Norman St. in the early part of this year.

### COMPARIES

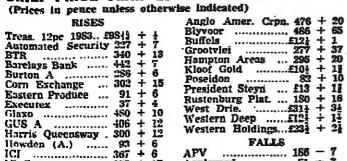
 VICKERS pretax profits for the first half of 1979 rose from £5.16m to £6.39m on turnover down from £191.4m to £184.5m. Page 20 and Lex

 CT BOWRING reports pre-tax profits down from £19.78m to £17.9m in the first half of 1979, with insurance broking profits affected by the strength of sterling. Page 27 and Lex

• DUNLOP Holdings, hit by an fSm rise in finance costs, reports firs half pretax profits down by £6m to £16m on sales of £766m (£749m). Page 20 and

• TECHNICAL problems with Taxi driver was murdered and the calculation of the FT-a policeman wounded in shoot-Actuaries indices has led to their not being published in this

### CHIEF PRICE CHANGES YESTERDAY



FALLS APV ..... 188 1Cf Gas 555 + 6
1C Gas 555 + 17
Intul. Thomson 358 + 23
Jones and Shipman 180 + 13
Kwik-Fit 62! + 5
Ladbroke 185 + 7
Sandeman (George) 83 + 5
Clyde Petroleum 274 + 22 Apv 186 7
Appleyard 71 3
Assed. Book Publrs. 268 37
BPC 34 24
FC Finance 62 5
Marshall Cavendish 23 4
Wace Group 58 7
Wharf Mill 52 8

### for younger man at Courtaulds BY RHYS DAVID MR. CHRISTOPHER HOGG, a ment Industrial Reorganisation and wider commercial freedom deputy chairman of Courtaulds, is to take over as chairman and chief executive of the group from the end of the year on the retirement of Sir Arthur Knight. Sir Arthur, who succeeded Lord Kearton four years ago at

the helm of Europe's biggest textile group, recently cele-brated his 62nd birthday and under Courtaulds rules could have continued for several years more. He said yesterday he had felt for some time it was appropriate for a younger man to take over.
Mr. Hogg has had a spectacular rise within Courtaules. At

43 he is one of the youngest men at the head of a major British company. Educated at Oxford and Harvard, his early business carrer was with Hill The emphasis on verticality— Samuel, the merchant bank, group companies trading with and the 1984 Wilson governesses other—has been lessened,

American News ... & Appointments ... 14
Appointments ... 17
Bank Return ... 22
Buse Rabes ... 30
Commodities ... 31
Companies UK 20, 22-26
Crossword ... 16
Entertain Calife

Entertain, Guids ...

before IMF meeting ...... 18

Politics today: a look at Liberal

Ireland: clouds over the Pope's visit 2

Energy review: conservation the key to stability .....

Sir Arthur Knight makes way

He moved to Courtanles as a director of International Paint in 1968, joining the main Board in 1973 and becoming one of three deputy chairmen last year. His current responsibilities cover Courtauld's entire consumer products field includ-ing paint, packaging, garments and household textiles.

Before taking over as chair-man on January 1, Mr. Hogg will assume the role of chief executive from Monday. Sir Arthur played a major role in planning the diversifica-tion which took Courtailds in the 1950s and 1960s away from its traditional fibre base. Since

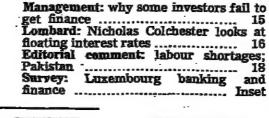
taking over as chairman he has piloted through major changes in the way the group is run.
The emphasis on verticality—

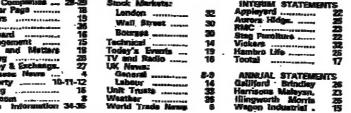
has been given to individual companies and managers.

The group as a whole has een reorganised into five major product groups to which the individual businesses report Mr. Hogg said yesterday that no major changes in the group's strategy or structure were fore-seen. The major task shead would be to manage the busi-ness, taking account of all the external circumstances facing textiles, so as to earn higher

In the year ending March 31, Courtaulds reported pre-tax profits of £54m on sales of £1.56bn. At the annual meeting in July, Sir Arthur said the immediate outlook was encouraging than we had anticipated," partly because of an overvalued sterling and limited Men and Matters Page 18

### World economy: a note of fatalism





### Gold Copper Silver Platinum Lead Dollar Dec. 1971 = 100 **Dollar**

# Gold leads upsurge in metal prices

BY JOHN EDWARDS, COMMODITIES EDITOR

GOLD led a general upsurge in metal prices yesterday triggered off by the fall in the value of the dollar. On the London Bulthe dollar. On the London Dai-tion Market gold closed at a new peak of \$395.5 a troy ounce, \$18.5 up on Wednesday, after trading at \$397 at one stage. In New York later it passed \$400

Main buying interest was reported to be coming from the U.S. especially during the afternoon when the dollar came under renewed pressure.

Other precious metals fol-lowed the upward trend in gold. Free market platinum, which has been a strong metal all this week, chalked up yet another record price. It rose in London by £8.65 to £256.55 a troy onnee. and the dollar price jumped from \$540 to \$565 reflecting the changed sterling/dollar parity rate.

Even palladium—a less important platinum group metal —rose by £3.55 to a record price of £73.25 (\$161.50) an ounce as speculators in New York bought any metal that they believed could provide protection against inflation and the declining value of paper money.

BRITANNIA AIRWAYS, one of

airlines, and part of the Inter-national Thomson Organisation,

is seeking to revolutionise the

holiday air travel business by

offering ultra-cheap scheduled fares on all its charter flights.

Savings to holiday-makers

would amount to £100 on exist,

ing scheduled air fares on many

air routes between the UK and

Western Europe and the Medi-

The plan could also drastically change the present structure of UK-European air

routes by introducing scheduled

services between places that

have never had such flights

Silver was also back in favour prices also surged ahead in after the violent price fluctua-tions last week. On the London Bullion Market the spot quota-tion rose by 63.80 to 742p a troy ounce at the morning fixing. On the London Metal Ex-

change, copper prices rose to the highest levels for five years in hectic trading activity. Copper cash wirebars rose to over £1,100 one stage before closing at £1,090 a tonne, £30 up on the day and £173 higher than a wek ago.

Lead prices too continued to climb with cash lead gaining £10.75 to £638.75 a tonne, up £83.25 on the wek.

The rice in the London cop-per market was helped by U.S. producers announcing substan tial rises in domestic prices to more than \$1 a lb. The New York copper futures market was again swamped by speculative buying pushing prices the

permisible limit up.

However, it was noted that particularly in London there was continued selling by trade sources, who view the current market upsurge as a good opportunity to sell.

David Lascelles wdites: Metal

Thomson airline plans

cheap scheduled fares

Britain's biggest independent plan is that it is not asking for

next year.

The essence of Britannia's

any new routes—it flies holiday

charters between over 20 UK

points and more than 60 over-

seas destinations. What it wants is the right to offer on all

those flights up to half of the

seats at extremely cheap

scheduled fares, from May 1

Passengers would be able to

buy these seats on either a

single or return basis, without

being obliged to pay for accom-modation as well, as is now the

WORCESTER

BASINGSTOKE/

CAMBERLEY

ORPINGTON

rule with package holidays.

early trading in New York rising in many cases to the maximum limits allowed in futures trading.

After spurting a record 11.35 cents to \$1.07 a pound on Wednesday, the spot copper price rose a further six cents on yesterday's opening. Futures rose by the six cent limit and became, in market jargon, "locked up." As a result, there was very little trading, although the market remained tense. Dealers were again uncertain

of the cause for the buying although attributed copper's strength to spill-over from the precious metals markets. With copper so strong, there is speculation that demand may now be spilling over into sugar where prices have also risen sharply in the past two days.

Precious metal prices also rose. By early afternoon, all the major platinum and silver futures contracts had moved up as much as permitted. Gold also gained following the record London fixing. The February 1980 futures contract surged \$15.40 to \$412 on the New York

Sales of scheduled tickets

would be through all existing

and travel agents, or directly from the airline. Thomson Holidays brochures would probably also indicate that on

any route either an all-in package holiday or just a cheap flight, would be available.

Britannia carries 3m passen-

gers a year on holiday charter

flights, or more than 30 per cent

of the package tour market. By

4m passengers a year.

1981, it expects to be carrying

Continued on Back Page

# weaker again

By Nicholas Colchester

THE U.S. dollar had a poor day yesterday in a nervous foreign exchange market. It was fixed at DM 1.7438 in Frankfurt — its third lowest level ever and the lowest since President Carter aunounced his package to rescue the dollar last Novem-

The only major currency weaker than the dollar was the Japanese yen which closed at Y223.40 to the dollar, down from Y222.75 the previous night. Both currencies were affected by news and rumours of rises in the oil price. Venezuela announced a

6.05 per cent rise in the price of its crude from October 1, and other oil producers were said to be considering similar

The pound closed higher against the U.S. dollar at \$3,2032 against \$2,1885 the previous night. The talk of oil nrice rises helned it in the afternoon, but sterling never-theless fell slightly against most European entrencies. On a trade-weighted hasis the pound rose from 68.7 to 69.1 on the Bank of England's

dollar's weakness prompted support eremi central hanks, including the Rank of England. But the amounts committed were large

The strength of sterling in Landon brought further rises in Government stocks and there were sales of both the medium and long tops for the first time, following the exhaustion of the short tap on Wodnesday.

The Rank of England said a large amount of the £500m ranche of 12 per cent Exchemer 1999-2002 stock trac cold.

Money markets Page 27

### in New York

	Sept. 26	Previou
ot onth onths	52,1950-1975 0,48-0,44 dis 0,92-0,87 dis	0.55-0.30 0.90-0.85

# Son & Daw SURVEYORS TO INDUSTRY a complete property service throughout the United Kingdom Lettings • Sales • Acquisitions **Development Appraisals & Funding** Rent Reviews • Valuations • Rating investments-Sale & Leasebacks FACTORY/WAREHOUSE PREMISES AVAILABLE HIGH WYCOMBE - 18,500 sq. ft. - Prestige - Large Car Park SOUTH COAST - 40,000 sq. ft. on 4.75 acres - Will Divide

- Units from 5,000 - 100,000 sq. ft. - 1 Mile M5

New units from 4,000 - 50,000 sq. ft.

- Factory - 30,000 sq. ft. on 3 acres

-- Modern Factory -- 20,000 -- 30,000 sq. ft.

Chartered Surveyors

26/28 Sackville Street

London WIX 2QL 01-734 8155

Available Now.

**WANTED FOR MAJOR INDUSTRIAL CLIENTS** 

# Ceausescu declines to attend East German celebrations

many's 30th anniversary. The Ceausescu. guest of honour is to be the Soviet leader, Mr. Leonid Brezhnev, and Mr. Ceausescu's absence is seen by East Europeans here to reflect the widening rift between Romania and the Soviet Union.

The independent Romanian Communists have refused to go along with Moscow's insistence that they increase their defence budget and integrate the Romanian army more closely into the Warsaw Pact. Mr. Brezhnev first raised these demands last November at a tense top level meeting of through Warsaw Pact leaders in Moscow, where a when Mr. Ceausescu firmly rejected them. Since then he has demonstratively raised social spending instead of the military from a foreign commander.

only Warsaw Pact leader not to actually the third-ranking attend next week's gathering in East Berlin of Communist dent Ceausescu and his political leaders to celebrate East Gerally influential wife, Dr. Elena

Every recent attempt has failed to bring the Romanians back into stride with the other Warsaw Pact members. In July the chief Romanian delegate to ideological conference in East Berlin refused to endorse a Warsaw Pact declaration

except East Germany, to permit their citizens to make detours through Yugoslavia, from where a record number decided to move to the West. Only Czechoslovakia, which has lost more than 600 of its citizens through escapes in recent budget, and has said Romanian months, has since agreed to soldiers will never take orders make lump-sum hard-currency

### Irish ease credit squeeze

THE IRISH Government, facing combined onslaught from the banks, business, agriculture and its own backbenchers, is likely restrictions when it became to ease to some extent the present severe credit squeeze. to the 18 per cent target for No announcements are likely credit expansion in the current

before tomorrow's meeting of year. the parliamentary party of the ruling Franna Fail Party, but some efforts seem sure to be on bridging finance for house purchases which the Irish banks blamed in part for the collapse have imposed.

strongly attacking China. The Romanians then barred East European motorists from entering the country because they could not pay for petrol with dollars. This conflict forced other East European countries.

This was a somewhat unexpeeted development after the Central Bank imposed severe clear the banks would not keep

Agriculture is feeling the pinch too, with farmers unable to re-stock expensive land and the credit squeeze is being to the border with the North. Whatever the Pope says—and

Paul Betts reports from Dublin on Irish preparations for the arrival tomorrow of Pope John Paul

# Cloud of apprehension in the carnival atmosphere

awash with green-white-and-gold flags of the Republic flying alongside yellow-and-gold flags of the Vatican, for the arrival tomorrow of the first Pope ever to set foot on the island.

The mood is one of exultation of pride and of great expectation. Pictures of Pope John Paul II have appeared in public houses, on windows, even on T-shirts and in some cases on umbrellas. His three-day pastoral visit is expected to draw the largest crowds in Irish

But carnival atmosphere is matched by an equally profound feeling of apprehension, which has loomed over the visit since it was announced in July.

In formal terms, the visit will mark the climax of centenary celebrations at the Shrine of Knock, a small village in the poor countryside of Mayo, where the Virgin Mary is said to have appeared on August 21, 1879, at time of famine, repression and

Claimed apparitions were particularly common at that time throughout Europe. But the significance of the visit may lie elsewhere in view of the distressing background of political violence in Ireland, the conflicting aspirations of Catholics and Protestants, the shocking murder of Lord Mountbatten and the Warrenpoint atrocity.
Indeed, the real climax will

undoubtedly be the appeal for peace and reconciliation and the unqualified denunciation of violence the Pope is expected to make tomorrow afternoon at Drogheda.

points his itinerary will take him

ROMANIA'S President and Romania will be represented Communist Party chief, Mr. in East Berlin by its Prime Nicolae Ceausescu, will be the Minister, Mr. flie Verdet, who is Nicolae Ceausescu, will be the Minister, Mr. flie Verdet, who is notified significant and Romania will be represented lead to Dublin. Wave after whatever people think he says Adrian IV, who effectively ceded wave of pilgrims have been will inevitably assume deep limits to the city, which is notified significant. sides of the border.

Last Sunday, from his balcony particularly pronounced among overlooking St. Peter's Square in Rome, the Pope said he was confident his visit would serve being put up in Catholic sectors the cause of peace and reconto celebrate the Pope's visit, ciliation in Ireland. Similar even though he is not going to sentiments, shared with varying the North. degrees of confidence, have been

Suspicios worsened Already, his imminent resence in Ireland has exacerbated the old suspicions between North and South. Like every-thing concerning the Irish question, attitudes towards the Pope's visit have inevitably tended to polarise in political,

highly vocal sector of the Pro-testant population sees the visit as endorsing the overwhelmingly sovereignty over the northern

inevitably be seen by some as underscoring unification hopes. cause of Catholic people long

This urge for liberation is

As a Pole, Pope John Paul II expressed by Irish church comes from a church in a leaders, some Protestants in the Country where, like Ireland. North, and officials in both Catholicism is seen to embody the spirit of national unity and British and Irish Governments. Equally, all the parties are where the church has defended aware of the minefields along for centuries the national culthe Pope's path in Ireland and ture and has inevitably clung the possible repercussions, distortions and misinterpretations of trouble. This fact has not his public statements could been lost on Irish Catholics.

question of whether or not the Pope went to the North should have been blown up out of all proportion. But through a tragic twist of fate, the atrocities of recent weeks have avoided the problem. If the Pope had gone, it could have been construed by nationalists as a rebuff for loyalist demands for

ended to polarise in political for continued union with irms.

Wiewed from the North, a Britain, while had he, under different circumstances, not paid a symbolic visit to the North, it could equally have been regarded by protestant unionists as a defeat of southern aspirations of re-unification of From the South, the visit will the two parts of Ireland.

When the Papal visit was first underscoring unification hopes.
Indeed, the Pope has traditionally been for the Irish what Dr. Conor Cruise O'Brien, a see of the Catholic church is in former Dublic Cabinet Minister. former Dublin Cabinet Minister. Armagh, in Northern Ireland. once described as "the symbol After a flurry of rumours and and putative champion of the speculation (a feature marking the entire preparations, with various Catholic pressure groups oppressed and seen as not yet various Catholic pressure groups wholly liberated." The record feverishly lobbying), the Vatishows, however, that it was a can issued in July a public



Hely water on tap for pilgrims to the shrine of the Virgin Mary at Knock which the Pope will visit.

denial, apparently prompted by appears to have been under the British Government. The increasing pressure from his Pope, it said, did in fact intend close advisers not to say someto visit the Northern Province. For its part, the British Government had indicated to the Vatican that it did not oppose a visit to the North as long as there was full consultation and collaboration between the Holy See and Whitehall.

Last month, before the murder of Lord Mountbatten, there was renewed and insistent speculation that the Pope was contemplating a symbolic visit to the North. It seemed increasingly likely he would go,

until the events of August 27. Cardinal Tomas O'Fiaich, who was then in Rome leading a delegation of the Irish church hierarchy involved in the final arrangements for the visit, was reported saying he was absolutely convinced the Pope would have gone to Northern Ireland. although there had apparently been no serious consultations with the British Government.

Sad and regrettable as it may seem, British and Irish Government officials, and indeed the Vatican, appear relieved the Pope is not going to the north. In the wake of the Mountbatten murder and Warrenpoint, the British Government is understood to have indicated to the Vatican that its security forces were seriously concerned over an eventual Papal visit to

Armagh, however brief.

While the British security forces apparently claimed that the Pope's personal safety posed no serious problems, they were particularly concerned that the occasion might be used by extremists of either side to stage some atrocity to publicise their respective campaigns.

In any event, security and crowd and traffic control for the Panal visit is expected to be the biggest operation of its kind It will be even bigger than that staged for President John Kennedy. The areas immeat which the Pope will appear publicly have been defined high security zones, and only those officially accredited will be able

to enter Some 6,000 members of the Garda police force will be on duty out of a total of 10,000. All leave has been cancelled for the three-day visit. Security will extend throughout the country, and will be especially tight along the border. At the same time, the Pope

FINANCIAL THRES, published daily except Sundays and holidays. U.S. subscription rates \$365.00 per annum. Becond class postage paid at New York N.Y. and at additional mailing centres.

### Vatican diplomacy

In the past, Vatican diplomacy has traditionally been non-commital especially on delicate issues like the Irish question. This approach is unlikely to change. But the Pope's unique style, his showmanship and the pastoral conception he has of pastoral conception he has of his role, which throws him in direct contact with enormous crowds in different countries, imply some risks which never occurred with the more formal and diplomatic style of his pre-decessor, Paul IV.

But the risks are clearly calculated ones. Despite the extrovert, spontaneous outward impression he gives, the Pope, with his long experience of complex church-state relations in Poland is regarded by many cautious and calculating. In this sense, he is as much

pastoral as a political Popeand indeed, perhaps one of the most political of Popes in the history of the Roman Catholic

He writes his own speeches.

to be a great expert. In Poland, and in Mexico during the Latin close advisers not to say something controversial or make a statement which could be misinterpreted and distorted statement which could be misinterpreted and distorted with major difficulties. Ap

6 AL.

So far, he has always shown firm inclination towards an evolutionary approach to prob-lems rather than seeking con-frontation. It would thus be fair to assume that he will adopt a similar line in Ireland. But wherever he has been since his election last October, his charismatic qualities have left a feeling of hope behind them. During the past 48 hours, there has been increasing debate

and discussion in Ireland whether the visit will have a healing or divisive effect In the meantime, workmen are busily putting the finishing touches to all the sites, from Phoenix Park in Dublin to Galway racecourse and Knock which will have to accommodate an unprecedented and spectacular number of people for a visit which will cost an

estimated £4m. At Knock confessionals have been transformed into tele-phone booths to help the 2,500 journalists who will be following the three-day visit. catering exercise it will also break all Irish records. At and he will clearly have weighed Knock and Galway alone, 250,000 up all sides of the Irish situation in which he is known not expected to be sold.

Every Saturday the Financial Times publishes a table giving details of

LOCAL AUTHORITY

on offer to the public For advertisement details please ring B. Kelaart

61-248 8000, Extn. 266



# on a clear day ...

### you can easily see all 5 Scottish New Towns from a vantage point just by Trafalgar Square.

A clear half day will do. Or even a clear hour or so if that is all you can spare out of a tight

The Scottish New Towns-East Kilbride, Gienrothes, Cumbernauld, Irvine, Livingston have a combined office for the convenience of executives from industry and commerce at 19 Cockspur Street, a stone's throw from Trafalgar Square. Jack Beckett, the director, and his staff are on hand to introduce you to all 5 New Towns and will welcome you however long you have to spend. A phone call will arrange a suitable time.

When you come, you can not only find out about availability of factories, offices homes, labour resources, grants, financial incentives and the general envir of the New Towns. You can actually see tailor made to your case. Following which you will no doubt wish to visit Scotland—and we will

The Scottish **New Towns** in London

gladly make those arrangements for

19 Cockspur Street SW1Y5BL

Telephone 01-930 2631 Telex 28408



If at present you have no clear time available, but would still like to have the facts, figures and individual leatures of Scotland's enterprising New Towns to consider, may we send you a copy of this fully illustrated brochure? We will gladly do to a present.



Nere P **WITH 169** BRANCHES **ACROSS THE** COUNTRY. WE COULD BE RIGHTUP YOURSTREET!

> In road transport, being big may mean having all the right resources like trucks, warehouses, repair centres and so on, but being local is even more important. And with 169 branches across the country, there's no one more local than BRS.

The BRS complete range of road transport services includes: Distribution, Contract Hire, Truck and Trailer Rental, Rescue, Warehousing, Haulage, Engineering.





Northway House, High Road,

かがいいいちの

# **Apel flying to Washington** for talks on defence

WEST GERMANY'S Defence Minister, Herr Hans Apel, flies to Washington this weekend for series of talks with U.S. leaders expected to deal with the thorny issues of the Airborne Warning and Control System (AWACS) and the size of Bonn's defence

Herr Apel is to remain in the U.S. until next Wednesday. He will also discuss the prospects for a third Strategic Arms Limitation Treaty and the Vienna force reduction talks, during meetings with Mr. Harold Brown, Defence Secretary, and Mr. Zbigniew Brzezinski, the chief Presidential adviser on national security. national security.

But the two main sticking points betwen the two countries —whose defence links are otherwise relatively healthy—will be the AWACS programme and Bonn's 1980 defence spending. Herr Apel's visit comes about a week after he warned the U.S. that the AWACS scheme could be doomed unless Washington speeded up its compensatory orders to German industry.

West Germany and the U.S. agreed last year to shoulder nearly two-thirds of the costs of the \$1.8bn (£800m) programme aimed at creating an airborne radar "umbrella" over Western Europe, thus giving early warning of a Warsaw Part attack Pact attack.
But in return for Bonn's

### Sharp drop in trade forecast by retailers

By Our Bonn Staff WEST GERMAN retailers are the Munich-based IFO economic cellor. research institute.

that although disposable income the British were not very aware was likely to grow by 6 per of the danger, since they had cent in 1980, it would be their own oil. "Anl if they sell seriously centailed by higher some they sell it at the highest outgoings for petrol, heating oil and a recent increase in value added tax. The irend was already evident in the second many in the Communist and heat of this year and real turn, developing world, were sufferhalf of this year and real turn-over between July-December ing huge effects from the oil-was expected to increase by only



Herr Hans Apel

large participation, the U.S. promised it would place orders for a new telephone system for U.S. forces in Comments of the U.S. forces in Germany and would buy about 9,000 vehicles from German manufacturers.

The orders have not materialised in full—only about 300 vehicles have been ordered and the Christian Democrat opposition has threatened to block the DM 100m (£24.6m) set aside for the scheme in 1980 irreplaceable unless progress is made on the pean defence.

offset element. This would effectively freeze the whole programme which provides for the purchase of 18 aircraft by the

purchase of 18 aircraft by the various NATO countries.

The U.S. has expressed its discountent about the size of the 1980 defence allocation. According to the West German Defence Ministry, Mr. Brown has sent Herr Apel a letter urging Bonn to ensure that defence spending would increase by a real 3 per cent as agreed by a real 3 per cent as agreed among the various NATO allies. The present allocation provide for a real increase of only 1.5

The Defence Ministry has said that a greater allocation is not that a greater allocation is not possible at present. It has also pointed out that defence sector investment has been raised by 31 per cent and that 7 per cent more is going towards weapons modernisation.

How far this will appease Washington is not clear. The

Washington is not clear. The U.S. has recently announced a real 3 per cent rise in its own defence budget and is under pressure to raise it even further Defence Ministry officials stress that these issues are no more than "irritations" in the otherwise strong relationship between Born and Washington on defence matters. The West German defence White Paper recently underlined that the U.S. nuclear deterrent was an irreplaceable element in Euro-

# Schmidt warns on threat of 'oil price explosion'

BY JONATHAN CARR IN BONN

THE WORLD could "still go to governments going it the easy pieces economically" if there

esearch institute.

In an interview to be published today, Herr Schmidt said

way by printing money and parpredicting a sharp drop in trade were another oil price explo-next year, principally because sion, according to Herr Helmut of oil price rises, according to Schmidt, the West German Chan-Herr Schmidt said in his interview with the British weekly magazine, The Economist.

On the currency matters, Herr Schmidt said the world needed stability more than anything else, and he would like to see a situation in which the dollar would be worth DM2 and stable at that point.

Herr Schmidt also said that, if the British did not understand that EMS membership was in was expected to increase by only price rise.

1-2 per cent.

"The oil producers cattel is simply thought they would do nowadays as great a me-Rice to Europe a favour by joining—the functioning of the world's then it would be better for them half of this year and for 1980, economy as is the menace of to stay out.

### Shell to restart Rotterdam plants

By Charles Batchelos in Amsterdam

Plans by Royal Dutch/Shell to restart its strike-hit refinery and chemical plants at Rotterdam over the next few days, were announced by the company yesterday. The announcement came after more than 1,000 workers opposed to the strike-streamed past pickets onto the site, as other workmen forced back the gates and welded them open.

Earlier, Shell had called on the FNV union federation to allow people willing to work to enter the plant. The gates were opeed 30 minutes after the shutting down operations were completed. The com-pany believes enough men are willing to work to enable it to restart most, if not all the 80 different installations.

Unions in Britain, West German and Belgium have promised support for the FNV, whose members are on strike at Shell. These unions responded to an appeal for support made through the International Federation of Chemical Workers Unions (ICEF) in Geneva, the FNV

The Association of Scientifie, Technical and Managerial Staffs (ASTMS) in Britain is keeping a close watch on shipments made to Shell, while the Belgian unions have said they will ensure the com-pany's plants there do not make extra deliveries or increase output.

After workers at the Albairos-UKF fertiliser plant decided to down tools on Wednesday, the strike extended no further yesterday, and the Chemical Industry Association said that so far, only AK20's salt chemicals division had been affected by shortages.

The FNV has made the preparations required in law to call strikes at a number of other chemical companies, notably ICI, Cyanamid and Tiofine. But it plans initially to limit the extent of the

"Very few people are affected by the strikes," an FNV spokesman said. "We can easily pay them from strike funds and this will allow us to keep the action going for a long time."

EUROPEAN PARLIAMENT'S BID FOR POWER

# Cuts in farm spending demanded

BY MARGARET VAN HATTEM IN STRASBOURG

THE EUROPEAN Parliament within the British Conservative yesterday launched its first bid group on the question of ald for more power since the direct for the Community's poorer for more power since the direct for more power since the direct regions. The large Christian elections in June. It demanded Democrat block appears uncerthat the nine Governments of tain about whether to put the the European Community Parliament's constitutional in-should cut back next year's farm terests before those of its own

Mr. Pieter Dankert (Soc. Netherlands) rapporteur for the Parliment's influential budget committee, said that if the Governments failed to respond farm price settlement, in which the Parliament might try to impose its own cuts or throw out budget estimates by over 1bn the entire draft budget for 1980. units of account and the

institutions and within the Parplament's political groups.

A rift has already emerged the

traditional supporters in the farm sector.

Although this was only the first parliamentary debate on the 1980 budget, a row appears inevitable between Community port and overseas aid policies.

and urged EEC Finance Mini-sters to intervene directly in future farm price decisons so as to curb farm spending.

Mr. Dankert hinted at a more radical strategy which several MPs are putting forward privately. Their idea is that the Parliament should propose its own cuts in so-called "obligatory reading". spending" (mainly farm spending). It supported in Parliament require a qualified majority in difficulty for Britain's Tories, the Council of Ministers to be Many are reluctant to press for over-ruled. Britain and Italy, an increase in spending on the for example, could together Community's poorer regions block such a move. when their Government in

Mr. Christopher Tugendhat, three-quarters of the budget, receives a major share of spend-he budget Commissioner, But the Council of Ministers, by ing.

limiting its cuts carefully, has left the Parliament less room for manoeuvre than ever before. That, said Mr. Dankert, was a challenge the Parliament could not ignore. "Are we to see the budgetary powers we fought

the last one, we must win the budget issue." The issues poses particlular difficulty for Britain's Tories. Until now, the Parliament has London has cut back its own accepted that it has little control over obligatory spending, EEC regional policy is the only which accounts for more than one under which Britain

# Spain Socialists likely to toe Gonzalez line

AN EXTRAORDINARY con- The resolution's promoters. The principal method has gress of the Spanish Socialist never intended Sr. Gonzalez to been a fairly ruthless use of party opens here today to decide resign. They wanted to remind moderate pragmatic line of Sr. ing too close to an unacceptable Felipe Gonzalez, its former for of social democracy. secretary-general. All the indications are that it will back the appear to have paid off. He Gonzalez line and re-elect him as leader of the party, the enhanced personal prestige and second largest in Spain. The party's 28th congress in further as the sole possible May broke up in confusion when candidate for party leadership. Sr. Gonzalez unexpectedly quit With his personal positon un-

promising Marxist ideology.

the the leadership that it was movemerged from the congress with

the leadership after delegates disputed, it has been a question estimated that Sr. Gonzalez has of how to arrange a more tied up 70-75 per cent of the moderate line.

the party apparatus by Sr. man, Sr. Alfonso Guerra. The power of the Markist dissidents has been emasculated through skilful organisation of the delegations to the congress.

By assuring themselves control of the majority of the delegations, Sr. Gonzalez and his allies have staked out the congress well in advance. It is

dissidents, too, are aware that the party cannot afford to continue publicly divided. Although S. Gonzalez is ex-pected to triumph, the damage done to the party by his forcing the issue in May will take time to heal. He, on the other hand,

The critical wing of the party

has protested about this proce-

dure but to no great effect. The

justifies his action, arguing that the Socialists must prepare for the elections of 1983, and to do suicide to have a Marxist label this it would be political hanging round the party neck.

# Russia, China to alternate talks

BY DAVID SATTER IN MOSCOW

THE SOVIET Union and China was taken was attended yester- sessions, the agenda, and announced agreement yesterday day by Mr. Wang Yuping, the whether there will be Press on a procedure for alternating chief Chinese delegate, with their forthcoming talks, one adviser, and Mr. Leonid their forthcoming talks, between Moscow and Peking a further sign that they are preparing for a concerted effort to improve their relations.

Tass, the Soviet news agency, reported that the talks on improving relations, which are to begin in Moscow soon, and the long-running, inconclusive border talks, which have been held in Peking, will alternate

venue was taken as a sign of forward movement

settling of the question of

also with one adviser.

reports on the talks.

No indication was given on Hyichev, chief Soviet delegate, when the full delegations would meet for the opening of the No decision was made on talks, which are expected to be long and difficult; but another other procedural or substantive questions which confront the protocot session is to be held two sides as they prepare for the opening of the Moscow talks. But the relatively quick

Once procedure is deter-mined, the agenda questions which must be decided are whether Vietnam's actions and between the two capitals forward movement.

The preliminary protocol Still to be decided are the the Chinese border will be taken meeting at which the decision length of the negotiating up.

Politician quits over Hamburg chemicals find

By Our Bonn Staff THE DISCOVERY of hundreds of tonnes of poisonous gases and chemicals on a disused Hamburg factory site has prompted the resignation of Herr Frank Dahrendorf, a senior member of the city-state's ruling senate.

Herr Dahrendorf, the Justice Senator, admitted yesterday that he had written a letter in 1971 which effectively declared that the area around the factory

THIS ADVERTISEMENT IS ISSUED BY LAZARD EROTHERS & CO. Now Spillers'shareholders can join an even happier family.



At Dalgety we have good news for our own shareholders, and for Spillers.

1. Our management accounts show that our profits for the first two months of this trading year are well up on the same two months last year.

2. We have just forecast increased dividends. This will give you a higher income than anything

forecast by Spillers.

Last Monday, Dalgety shareholders approved the merger of our two companies.

Back a successful management team. Join us.

Post your acceptance today.

to poor

countries

SR. JOSE LOPEZ PORTILLO

the Mexican President, yes-terday called for a world

energy plan that recognised the needs of all nations and offered special help for the poorest countries.

Speaking in the UN General Assembly he pro-posed the establishment of an

international energy institute

and of a working group to

petroleum-imports,
"Energy sources are the
shared responsibility of all of
mankind," he sald. "Energy

manking, he said. Energy sources must not be the pri-villege of the powerful. We want to bridge the gap be tween extremes by making

present day petroleum supply, demand and price structures compatible with the alterna-

tives we seek for the future.
"The order that must come

about—and soon—can either come as the result of the participation of sovereign nations, or of their convic-

tions and free will, or be violently imposed by the most

# Assad announces reforms in bid to stem discontent

SYRIA'S President Hafez Assad has decided to undertake a series the wake of recent sectarian been of reforms in an apparent clashes in the northern port of should be checked and stopped afternpt to check rising dis- Lattakia earlier this month and forthwith. It called on the

yesterday by the National Pro- June. gressive Front after a week of meetings in Damuscus. Details were broadcust several times over the state-controlled radio. The front is headed by Presiruling Ba'ath Party, the Sovietoriented Syrian Communist Party and two smaller left-wing parties of a Nasserist com-

by establishing more offices in hood of being behind the the country-side. It seems clear that President Assad wants to preserve national unity and to troops are deployed in Lebanon

leadership under of which he is secretary-general. a massacre of cadeis at the

> The violence in Lattakia was reported to have been between Sunni Moslems and the Alawite minority to which Mr. Assad and many leading Government figures belong. Most of the victims of the killings at the artillery academy **Mete** Alawites.

expand his power base by not rally around the regime of as an Arab League peace-keep-limiting it to the Balath Party. President Assad.

At the same time, the state-The Front began its talks in ment admitted that there had shortcomings which Government to lessen depen-The reforms were announced artillery academy in Aleppo in dence on martial law, which was put into effect after the six-day war with Israel in 1967.

The Front called for a purge of the civil service and recommended steps to improve the economy and to ensure ample supply of basic commodities.

There has been no confirmation of reports that Sunni and-Alawite soldiers serving with Syrian troops in Lebanon have plexion.

The broadcasts declared that the Front accused imperialist trict north of Beirut. The reports the Front was to be expanded agents and the Moslem Brother were broadcast by the Right-In its declaration yesterday clashed at their posts in a dis-

# Kuwait expels Khomeini envoy

special representative of Ayatollah Khomeini, the Iranian relicious leader, as a result of rest among the Shia Moslem minority in the small Gulf state. According to Kuwaiti news-paper reports, Mr. Abbas Muhri and 18 members of his family were expelled to Tehran on Wednesday and stripped of their

Emirates. In late August he had been made to leave Bahrain.

Shia populations in the Arab Gulf states, which are all ruled by families of the majority Sunni sect of Islam, have been subject to increasing proselytisations by the Iranian religious leadership. The most seriously where the security where the security in the security is the security in the security in

Last week another representa- threats of annexation by Iran tive of Ayatollah Khomeini was against Bahrain's Government, expelled from the United Arab Emirates. In late August he had claim to Bahrain was abandoned

Numary nationality His son affected state is Bahrain, where Ahmed Abhas Muhri was affected state is Bahrain, where and safety" of the Gulf. Egypt's arrested cartier this month for making political speeches in a mesque. He was also expelled. Khomeini, has issued specific to Bahrain.

# Kampuchea to receive more aid

reign aid workers to mount has been impossible.

News of this change reached officials of the International Bod Cross and United Nations thrown Khmer Rouge regime. Sed Cross and United Nations
Children's Fund (UNICEF)
These are located in a strip
through the Kampuchean of territory in the north-west
Economic Affairs Ministry at a of Kampuchea near its border
time when 2m neople inside with Thailand. If such a cam150 tonnes of relief materials

Concern exists, however, over materials.

HENG SAMRIN's Victorinese-monsoon has almost ended, drawn up next week to supply backed Government in Kam- greatly easing relief operations Kampuchea with more food, purhes has agreed to allow in the weeks ahead. Kampuchea with more food, medicines, and other relief

telief operations inside the the worth of yesterday's agree. Emphasis will be on close country on a scale that so far ment. This is based on reports supervision and control, rather that Vietnam is prepring for a than on flooding Phnom Penh major offensive against isolated with relief supplies that its strongholds of Pol Pot's over-skeleton transport and communications services cannot

Kompuches are understood to paign is mounted, any aid effort to Kampuche on four weekly be on the verge of starvation. will be seriously hampered. flights. But the needs are Permission comes at an The Red Cross said yesterday estimated at more than 3,000 opportune time because the that detailed plans will be tonnes per week.

# Nigeria bans imports of rice

Narra 2.1nn (21.7bn) and bans funds.

lainely to the oil price rises by will face. There have been pro-tre Organisation of the Petra- tests from some state govern-(OPEC) and Negeria's own word level of production ear. they come into power.

that at Nacra 3hn more than the requiring a import licences, oil revenues in calendar 1979 at e dipenter for the 1979-80 hade including Plennick Of that Saira 2.16n and with the form tederal lovern- equipment, industrial protective, pared with a fall of 5.5 per cent. Government. and the remainder will be gloves and apparel.

sates the end of 1973,

To sie al, this now, economic

a II grow by only 6.5 per cent

between July this year and

Sime, 1980, compared with almost 12 per cent in 1978.

come to accept dynamic expan-

sion es a fact of life, the new

have growth period is hard to

propert, especially as it is

disensing experts have theady slashed their carnings

industrialists are complain-

securing partly by design.

For husinessmen who have

The increased allocation to

Exporting Countries ments about the heavy debts they will have to bear when Several items have been

Total additional revenue is added to the list of those directes for the 1979-80 bud- including electric filament naira 6.88bn. Real gross of secondar; in the Ministry of lamps, splints and skillets, radio domestic product should rise course. On the Naira 2 lbn and television installation 8.1 per cent in 1978-80 com-

over not been or almost. In the rice imports. Previously, the deficit of naira 2.3bn,

complementary budget which in-defence and education as the less than 50 kg, while putting course the federal allocation by biggest recipients of federal all other rice on import licences. Major-Gen. J. J. Oluleye,

> should be placed on the prohibition list with immediate effect." Provisional estimates show the previous year. The balance

# Iran bank chief

THE PRESIDENT of Bank Melli Iran, Mr. Jalil Shoraka, has resigned his post and left

At his own request, Mr. Shoraka has taken up the post of managing director of Iranver managing director of Iran vest, the Iran overseas investment bank, in London, in which Bank Melli has a 25 per cent shareholding. He arrived in his new office last week.

Tipped to succeed Mr. Shoraka at Bank Melli—the dominant force in Iranian

dominant force in Iranian banking, with total assets last year of Rials 713bn (£4.4bn) is executive vice-president. A former director of the bank's international department, Mr. Azimi is well-known abroad. His appointment would reassure foreign bankers Bank Melli emerged from the

February revolution in relatively good shape and has since announced a sizeable increase in deposits. It is expected to remain one of four or five major units, once the expected mergers of the nationalised banks are completed.

Iranvest stressed yesterday that Mr. Shoraka remained in good standing with the Iranian authorities and would be able to use his old contacts in his

new post.
But his departure from Iran. coming after the recent life coming after the recent life imprisonment sentence on Mr. Yussef Khoshkish, a former Governor of the Central Bank of Iran, will undoubtedly demoralise other, already nervous bankers there.

At Iranvest, Mr. Shoraka takes over a venture intended to knit the franian banking system closer into that of the

system closer into that of the international community. The Iranian Government holds 50 per cent of Iranvest's capital, with the remainder owned by eight Western and Japanese

### Zia dampens November poll hopes

THE CHANCES of general elections being held in Pakistan as planned in November, and the country returning to civilian rule, appear to have diminished after a speech by President

Zia-ul-Haq. Gen. Zia, who took over in June, 1977, from the late Mr. Z. As a result of the six to three contents to the six of the six to three contents to the six of the six to three contents to the six of the six of the six to three contents to the six of the six to three contents to the six of the six to three contents to the six to three conte more important. The remarks seem to be pre-

paring the ground to stop Mr. Bhutto's People's Party from The budget reflects a drathe states should help to ease
Federal Commissioner for gaining power. The party, in
freely improvement in the count the burden of debt which inthe burden of debt which infreely improvement thanks

The budget reflects a drathe states should help to ease
Federal Commissioner for gaining power. The party, in
protest at restrictions, has said
that it will not register with the been finding its way into the election commission to take part country to the detriment of in the poll even though local producers. "It has there observers consider it the most fore been decided that rice popular political grouping in popular political grouping in Pakistan.

Gen. Zia seems not to have mentioned the People's Party in the hard and soft liners in the his speech, only saying that 35 or so parties were in the race at the moment, and he could not seen one being able to form a having invited the Human Government. Rights Commission of the

Confusion remains about Gen. The move sind apparel.

The move which is bound to apparell of payments is expected to Details of teleral covernment can be the most disruption to swing into surplus in calendar ments made a few hours later. The move which is bound to swing into surplus in calendar ments made a few hours later. The move the most disruption to swing into surplus in calendar ments made a few hours later. The move most feel intentions. In comments made a few hours later. The move the most disruption to swing into surplus in calendar ments made a few hours later. The move move the move the move the normalist series of the move the move that the move the move the move the move that the move the move the move that the move the move that the move the move that the move the move the move that the move the move the move that the Oil shortage provokes new ideas on sharing resources

# U.S. reviews stockpile plan Mexico calls for oil aid

BY DAVID LASCELLES IN NEW YORK

MR. CHARLES DUNCAN, the review, and that a new ing 250m. At the moment, the new Energy Secretary, is expected to give some details of prepared. However, Middle The Department of Energy U.S. plans for its controversial Eastern producers and other has also said it may draw on Orleans next Tuesday.

overrun its original cost estibeen press reports that the U.S. is under foreign pressure not to resume them, for fear of what this could do to the oil

The reserve, originally that the U.S. had agreed with designed to stockpile 1bn bar-other major industrial nations rels of oil by 1985, has vastly at the Tokyo summit not to inmates and schedules. The recent which might affect prices. This turmoil in the oil markets has agreement had been made also forced the Government to halt purchases, and there have spokesman said yesterday.

dulge in any oil stockpiling

size by about half, to around

strategic petroleum reserve countries are not thought to domestic rather than foreign oil when he addresses a meeting have made any representations to fill the reserve. This oil of southern governors in New or threats. The State Department noted naval oil reserve, or from that the U.S. had agreed with Alaskan oilfields, or even other major industrial nations continental producers. Other

drawals, and at what price.

reserve consists of several abandoned salt mines along the

questions which have still to be answered include who will get the oil from the reserve if the President authorises with-

pokesman said yesterday. Mr. Duncan's choice of New However, several modifica. Orleans in which to discuss the tions to the reserve are being reserve is no accident. The considered. One is to cut as reserve consists of several 500m barrels, and leave it at Louisiana and Texas coast which that. Another is to reduce it have been specially prepared to to 750m barrels and ask the oil take oil, and the reserve is In Washington it is thought that. Another is to reduce it have been specially prepared to that the question of future pur- to 750m barrels and ask the oil take oil, and the reserve is chases for the reserve is under- industry to stockpile the remain- administered from New Orleans.

and of a working group to prepare "pertinent specific proposals" for implementing his global plan. This group should be comprised of representatives of the petroleum-producing countries, industrialised countries and the development of the transfer that were developing states that were

# Vance reassurance on Cuba

NEW YORK—U.S. Secretary
of State Cyrus-Vance told Latin
American nations yesterday
that "we will assure that our
interests are fully protected" in
the dispute over Russian trans. the dispute over Russian troops trast to the tough line taken by in Cuba. The troops raised concern that Cuba would exploit officials, he said that the dispute internal tensions in the hemi-

sphere, he said. Gromyko, the Soviet Foreign

BY ROBERT GIBBENS IN MONTREAL

period of slow or zero growth. Real output will be up 2.4 per the Conference Board warned cent this year but only 1.5 per

The current account deficit, put at 9.2 per cent against 8.9 reduce expected to be around C\$ 7bu per cent for all 1979 and the prima: (£2.7bn) this year, will rise to jobless rate will rise to 7.7 per ducts.

with the Soviets should be kept "in proper perspective." The

Administration might take if significant interests at stake.

But he affirmed a distance of the company of the source of the company of the compa sphere neighbours to resist "out-

Warning on Canadian growth

CANADA FACES an extended CS7.8bn in 1980, the Board says. cent from 7.6 per cent in 1979.

yesterday. In its latest economic cent mext year. Employment 2.7 per cent next year. The forecast it says there will be growth will slow, while corporation of the property of

a committee headed by Mr. Clark Clifford, the former Defence Secretary, to advise him on how to resolve the issue of Soviet troops in Cuba, it was reported yesterday.

The committee was said to include six former officials, Republicans as well as Democrats, with expertise in foreign policy and intelligence matters.

Consumer spending in real terms will be up a modest

reduce demand for Canadian

primary and secondary pro-

powerful of those nations." It was not impossible, it might result from "a stupid holocaust," he said. This was the dilemma and the reason for his proposal. We must race against time to find new solutions before our present sources run out," he said.

Sr. Lopez Portillo called for an increase in the systematic exploitation of potential reserves of all types, both traditional and non-conventional, which had not yet been ex-ploited owing to lack of financing or of applied re-

He mentioned the need to exploit solar, hydro, wind, tidal and thermal energy and said there should be a global system for disseminating and transferring technologies,

# Timerman expulsion splits regime

THE RELEASE of journalist Jacobo Timerman and his expulsion from Argentina on Tuesday night was precipitated by an overwhelming vote against his release by nine serving army major generals,

As a result of the six to three the three-member military junta, made up of the heads of the three armed forces, and the junta decided to obey the September 27 order of the Supreme Court to release Sr. Timerman. Unlike the top army officers, the navy and air force long have favoured the release of Sr. Timerman, who was arrested 30 months ago.

The Timerman case has beightened antagonism between regime. Already the hard liners were angry with President Jorge Rafael Videls and the junta for Organisation of American States to investigate human rights in the country. Sr. Timerman, 56, had been in custody since April, 1977,



Sr. Timerman and his wife Rishe in Tel Aviv.

members of the group sub- him, but acting on the strength men for the sequently were sentenced to of the so-called "Institutional denied this.

when he was arrested along long prison terms, but a military of his other property, with other members of the court cleared Sr. Timerman. It was widely assu-"Gratver Group" on suspicion Last year, In.a first ruling of having committed economic on the case, the Supreme Court and subversive crimes. Several ordered the junta to release

junta continued to hold him prisoner under house arrest in Buenos Aires for the last 17

Act" of October 15, 1977, the

an Argentine Airlines jumbo jet on Tuesday and flown to Rome. He was also stripped of his Argentinian citizenship,, but travelled with an Israeli visa. His wife and two sons, who have been in New York campaigning for his release, will meet him in Israel. Later Sr. Timerman will move to New York, where he has a contract to teach journalism at one of

the universities. In Argentina he founded several publications, the most recent one being the Buenes Aires daily La Opinion. The Government has confiscated his share in La Opinion, which continues to operate under the directives of a board of army and air force officers and most

It was widely assumed that the junta's refusal to release Sr. Timerman was the result of official anti-semitism, but spokesmen for the junta always have

SOUTH KOREA'S GROWTH STRATEGY FOR THE NEXT DECADE

# Painful road to economic maturity

BY RON RICHARDSON IN SEOUL

the mathematical of high-spread on world markets, and forcing the markets are showing cuts in exporters' profit marover ramedly under the comb gans. to the control policy and a wor-industries, organised into the The Government has opplied ciation, insist that they will be seriously damaged if the the 2500 and monetary brakes. Government does not revert to an easy credit-high growth strategy, accompanied by a is an attempt to curh and on which has run at an access amount rate of 18 per

won.

### task structure contend after a note with the in a sound type to make the final drive to 'Special pleading'

hash treated this as a special non-that grabitaty that they pleading and are pushing on have manned out for the 1980s. For alternative they say, with their economic stabilishmental by a South American- tion progressive, while quietly the milation-devaluation cycle, making extra resources avail- when economies in many other which flooded into the domestic The surhardative Korean De- nide to the right corporations countries were stagnating was economy without offsetting imveregonem institute has fore, which have led the country's its aggressive response to the ports to satisfy the demand it that class national product export drive

devaluation of the Rorean

Tight money and slower internal and external planners opted for a pro-restructuring on which the gramme of heavy foreign borsustained growth forecast for rowing and maximum stimulathe 1980s will be based, they tion of the economy. At the end

the Korean economy are based

ligh raw material costs and a tomorrow.

Since 1961 the economy has swollen in size by 440 per cent accompanied by high inflation in constant price terms, taking entered at this time carried the this year. The export-led growth

to a probable \$15.5bn this year. In this time, the contribution of manufacturing to total GNP has doubled to its present level ranging up to an annual increase So far economic bureaucrass that being concentrated in the in which South Korea's success heavy and chemical industries, in winning construction conwith their evolutine stabilisa- South Korea's growth during off in a big way. Contractors

> oil shock of 1974. Faced with a near quadrupof the year, the Government

This response, in the words me that their companies are on different time-scales of of Mr. Lawrence Krause, an late last year a series of liberalities companies are being starved of lands by a reference. The businessmen economist of the U.S. Brookings sations aimed at boosting the forced into bankruptey. One of supply of goods on the domestic the first casualties and by far discourts have today, while the economic cold star for best handling of market while depressing demand the biggest, was Yulsan, the planners are looking to (oil crisis) policy." GNP growth with a sharp squeeze on the former general trading comomorrow. for the year was a solid 7.5 per growth of the money supply. pany.

Once this is taken into cent, while exports climbed 38. The measures were pulled. Als

gross national product per head seeds of the problems now be-from \$82 to a forecast \$1,500 devilling Korea. In the 51 years since the oil strategy has seen foreign sales price adjustment, consumer of merchandise grow from \$43m prices in the country have more than doubled, while wages

have almost quadrupled. The money supply has swollen, The areatest contribution to tracts in the Middle East paid the second half of the 1970s remitted \$1.2ha in earnings

created. During 1978 much of these growth for the next year will ling of the bill for its main funds found their way into the induce industry to begin the energy source, the economic property market in a bout of speculation. house and land prices almost doubled during the year. Finally alarmed at the serious

domestic imbalance that was The two diametrically tied the package together with a being caused by the exportopposed views of the needs of heliv devaluation.

growth-at-any-cost policy, the Government began to introduce have forced up the prices of account, their assessments can per cent. On the negative side together in April in a stabilisa- down in money growth is a cerned, is as bad as the ailment. brought down to single digit

KOREAN many of Korea's key exports, be reconciled into a single picture of a sucrossfully planned in world markets, and forcing conomy going through a period of painful adjustment of the condition of the condit at a lower level of growth than in the 1970s.

This has hurt South Korean industry, which had become used to paying yesterday's debts from tomorrow's growth. Expanthis year.

This target rate has almost been achieved already, pointing to the severity of the squeeze that has been applied. During the first half of the year, M2 rose by less than 5 per cent.

### Forced bankruptcies

is still 40 per cent, according to the Economic Planning Board, but quite a lot of this is going into major development projects already under way, leaving far less finance for small to medium firms. As a large portion of the operating funds of Korean companies in the past have come from 90-day bank loans, regularly rolled over, many of

sion of the broadly defined (M2) money supply is being pulled back from last year's 35 per cent rate to 25 per cent heavy outow of funds to pay for imports which flooded into the country in the first half at a rate 50 per cent up on the level of

1978 This is a direct result of the Government's easing of controls on the import of goods in areas where domestic prices were far above international parity. Another factor contributing

to the import surge was a build-The rate of new bank lending up of stockpiles of industrial still 40 per cent, according raw materials. The rate of imports has slowed considerably in the past two months as this reserve buying has subsided. Exports in the first half rose 19 per cent by value, but were volume terms. This highlighted the loss competitiveness of some export sectors, notably textiles
and garments, which have been
sensitive sections of the Governunable to absorb last year's ment have been having second

main targets of the stabilisation programme. But the cure, as far at least, are adamant that there as the order-deficient, credit- will be no easing up on the Also contributing to the slow- squeezed textile industry is con- squeeze until inflation

Many smaller factories have level, perhaps by the end of already closed their doors and laid off their workers. Painful as this is in human

South Korean industry: feeling the draught of the Government's tough measures.

terms, it is one of the short-term effects anticipated from the credit squeeze. The Government is planning for an increase of about 140,000 in unemployment this year to a level of 4.2 per cent of the workforce.

The Government believes this situation in industry will subdue pressure for a substantial wage rise at the end of the year, while observers say big productivity increases can be achieved by lay-offs as Korean companies have tended to over- ranks actually 3 per cent less in staff heavily in the past because of the relative cheapness of labour. However, the more politically

average wage rise of 37 per cent thoughts about the social conin manufacturing industry. sequences of using unem Wage inflation is one of the ment as an economic tool. sequences of using unemploy-But the economic planners.

next year. Only then, they argue, can

the country push on with the continued development of its heavy industry and social infrastructure which they have no doubt will culminate in its emergence as an advanced economy in little more than 10

They have considerable backing for this judgment. In an analysis of the economy issued in May, the World Bank said: the projections made by the Korean authorities suggesting that by 1991 Korea can join the ranks of the developed countries seem reasonable.

The Bank's report pointed to the "phenomenal rate" of in-

crease in real investment-a yearly average of 33.4 per cent during the past two years—as a source of growth during the next few years while further restructuring of industry takes place. With this achieved, the Bank concluded, a steady GNP growth rate of 10 per cent annually was feasibly during

اهكذا من الدّ مل

Marional

Fire off aid

to pay

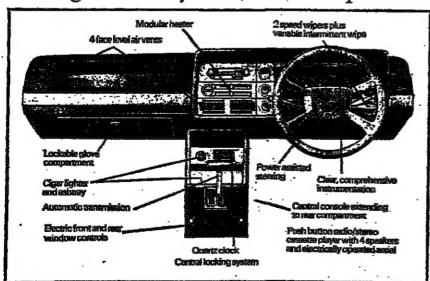


# Ford engineering brings more comfort, refinement and performance to a durable and reliable car.

The 1980 Ford Granada has new seats with deep foam cushions, mounted on graduated suspension springs, specially tuned to the Granada's all-round independent suspension. And the seats have been ergonomically designed to give correct spinal and lumbar support.

Ford have put a lot of thought into making your surroundings comfortable too.

The finish to fascia and console is now colour-toned to co-ordinate with the range of softer, richer fabrics - and you get a complete change of air every 20 seconds at 50 mph.



The fascia is colour-toned to co-ordinate with the new soft, rich fabrics

### Improved performance and economy

But it is not only the interior that has been refined. All Granada petrol engines now have a viscous coupled fan; V6 engines have electronic breakerless ignition; and the 2 litre ohc engine has special new low friction piston rings. These, plus other detail modifications, add up to good performance and economy across the range with significant improvements on 2.0 and 2.3 litre models.

### Increased rust protection

Every Granada goes through a 20-stage body protection process. This now includes



wax injections to provide extra protection for the insides of box sections, chassis members and the bottom of doors. Wheel arches and vulnerable underbody areas are treated with tough chip resistant PVC. And the remaining underbody is coated with an anti-corrosion wax sealant to protect against salt spray.

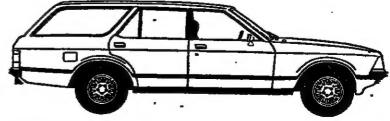
car's suspension.

Ford engineers have made significant improvements to the 1980 Granadaimprovements that are the result of Ford's emphasis on engineering.

Some standard features of the Granada Ghia Automotic transmission (except with fuel injection)-power assisted steering-push button radio/stereo cassette with four speakers and electrically operated aerial-laminated windscreen tili/sliding roof-alloy wheels-quartz clock • Durham/Crushed Velour seat fabric-central locking system (4 doors and boot)-remote control door mirror-2 speed and variable intermittent wipe windscreen wipers carpeted boot dual tone horn-front and rear fog lamps-tinted glass-electrically operated front and rear windows-shag pile carpet-headlamp wash. .

### New 2.3 litre GL Estate

The spacious Granada Estate gives you 42 cu ft of space as a 5 seater and 77 cu ft as a 2 seater. And the range now includes a 2.3 litre GL model.



Engine size (fixes)	Max Speed 0-60 mpts (mph)" secs"		GRANADA PRICES		
20 L	102	11.1	Granada L from £5339		
23 L (manual)	107	10.2	Granada GL from £7029 Granada GLS from £8207		
2.8GL (manus)	114	9.5	Granada Ghia from £8907 Granada Diesel from £5770		
2.8 GLS fael injection (manual)	120	8.8	Graneda Estate from £5909		
2.8 Ghia (someth)	109	11.3			
2.1 Diesel (terret)	85	22.5	Maximum prices as at September 28th 1979, Sept bolton accumum 1743		
Ford computed performance data for saloun models.			belts, car tax and VAT Included. Delivery and Trumber plates at extra cost.		



Oil costs

income

Financial Times Reporter

weaken NZ

agricultural

THE COMBINED effects of

higher oll prices and inflation in the major industrial coun-

tries have resulted in New Zea-

land's 'agricultural exports buying, on average, some 20 per cent less of the country's import requirements.

This was pointed out yester-day by Mr. Leshe Gandar, the High Commissioner for New Zealand, who was speaking at

the London Chamber of Com-

merce. He said it was, therefore,

necessary to build a more

broadly-based economy.

He said a policy of export promotion had been adopted, and conditions for inward in-

vestment had been fiberalised, particularly where domestic

products were too costly or of

inadequate quality.

Mr. Gandar said that despite

recent borrowing, New Zealand had no difficulty in financing its

current, account deficit and

repaying debts.

Its energy resources were, he said, largely untapped and development of these would be geared towards reducing oil im-

ports and eventually generating foreign exchange earnings.

Sharp

increase

in French

motor

exports

THE POSITIVE French trade

balance in motor industry pro-

ducts shot up by 14 per cent

in the first half of this year

following a big increase in

exports of both vehicles and

Announcing these figures

among French

yesterday, the motor industry

said it had maintained its

exporters this year, account-

ing for about 14 per cent of

But it warned the Govern-

ment that its performance

could come under pressure if

its base in France is under-

mined by harmful legislation.

FFr 5bn (£617m) this year.

The figures show that

vehicle exports earned the

country more than twice as

much as it spent on imports— FFr 17.7bn against FFr 8.3bn.

to FFr 9.8bn compared with imports of FFr 5.4bn.

in favour of the French indus-try of FFr 13.8bn, and an

improvement in earnings of a

good 4 per cent over the level of price inflation during the

Since these statistics were completed the French indus-try has swung into an even greater period of growth. In

July and August, exports rose by 41.5 per cent compared with the same period last year, rising from 166,000 cars to 235,000.

strongly, going up from 295,000 units during the two-mouth period to 358,000—an

increase of 21.6 per cent-

while registrations moved

ahead from 240,000 to 264,000,

last year.

Production

up 10 per cent.

imponent exports amounted

This leaves a total balance

the country's overseas sales.

# Japanese increase stake in Siberian coal development

BY DAVID SATTER IN MOSCOW

development with agreement to which ended here yesterday. extend a \$40m equivalent yen-denominated Japanes Export-Import Bank credit to the Soviets for the construction of Siberian forestry development. a coal grading plant in south The Japanese hope this will be

Yakutia. of the same order as the second forestry project in which the Japanese stake in the south Japanese imported 17.5m cubic Yakutia coal project comes metres of timber over 1975-79 amid signs that the Soviets may to repay a bank loan of the Japanese side was rehave difficulty beginning coal deliveries to Japan on schedule portedly anxious to avoid any in 1983 under the terms of the hiatus in the timber deliveries previous agreement. This and both sides said in a joint called for shipments of 6m tons communique that they want to of coal a year over 20 years to conclude a new contract by the repay a \$450m Japanese credit end of the year,

co-operation in of paper and p development an- Soviet far east.

THE JAPANESE have deep nounced during the four day ened their commitment to meeting of the Japanese-Soviet co-operate in Siberian coal Joint Economic Commission

The Japanese side was re-

used in developing the deposits.

Repayments of the new credit also been made in two other pending co-operation projects:

The agreement was one of the enlargement of facilities at several stops taken to increase the Pacific coast port of the momentum of Soviet. Soviet- Vostochny and the development in of paper and pulp mills in the

The Vostochny project would involve the expansion of the port to handle 300,000 containers and 10m tonnes of coal a year. Vos tochny can presently handle 80,000 containers and 5m tonnes of coal a year. The cost of the project would be approximately \$150m with the Japanese giving a credit for 90 per cent of the total with repayment in cash.

The paper and pulp mill development projects include construction of a paper-pulp mill in Amursk which will produce 250,000 tonnes annually, with work beginning in 1981, construction of a pulp-paper mill combine in Khabarovsk to be started in 1985-86 and recon-struction of formerly Japanese pulp factories on Sakhalin Island, The Japanese side expressed an interest in cooperating in the Sakhalin project with repayment no only in paper but also wood chips and

### POLAND'S HARD CURRENCY INFLUX

## Retail outlets on the rise

BY CHRISTOPHER BOBINSKI IN WARSAW

Poland's chain of Pewex hard and deposit hard currency, with currency stores—which sell no questions asked about its both Western and Polish-made source. goods-must make them one of the most successful enterprises currency savings in the state owned PKO bank and accord-

According to a candid report in the trade paper Rynki
Zagraniczne. Pewex made a
profit of 78 per cent on its
overall trade last year. This
divides up into a profit of
94 per cent on imported goods
of the per cent on imported goods
and so near cont on Palish made

were now around 80
account holders who in all
some \$400,000 (£192,000).

amount spent in Pewex
this was a 29 per cent gr
on sales in 1977 and comp and 60 per cent on Polish-made

is growing fast and at the last count there were 342 shops and 170 hotel klosks throughout Poland. The hard currency spent in the shops comes from various sources such as the carnings of the 60,000 or so Poles who now work abroad, and from the 1m or so tourists is slightly cheaper in Pewex who come here each year.

by Poles was once a criminal in Pewex shops last year, offence, but since 1976 the

This has encouraged hard ing to the Ministry of Finance were now around 800,000 account holders who in all hold some \$400,000 (£192,000). The amount spent in Pewex shops

This was a 29 per cent growth on sales in 1977 and compares with sales worth \$67m in 1973 when Pewex was established. The number of retail outlets
The shops sell a wide range of goods such as Western stereophonic equipment, bathroom furniture, clothes and whisky. While 43 per cent of Pewex's income comes from sales of Polish goods, the major item here which brought in \$40.5m inst year, is Polish vodka which than in the normal sops. Poles The possession of U.S. dollars spent \$85.5m on Western goods

The structural breakdown of

THE PROFIT margins of people to open bank accounts gives a 44 per cent share to per cent and other goods 13.6 per cent.

Cosmetics sales were worth \$3.3m while Western car sales. which were introduced last year. represented 1.3 per cent of the turnover. The authorities are now planning to expand Pewex and sales this year are expected to reach \$200m. It intends to increase sales of Western luxury

goods and Western made cars.
This expansion of the hard currency sector within the Polish economy is not of course without its critics. The pub-lishing of Pewer's financial results is clearly designed to show the financial advantages of the shops to the State, but the issue is by no means as controversial as in East Germany where a similar system exists. It is also argued that given the fairly substantial hard currency private holdings here. Pewex limits the activities of Western mail order companies which would otherwise enter the Polish market.

### INTERNATIONAL CHEMICAL INDUSTRIES

# Japan reconsiders Iran project

to broaden the base of invest-

Hopes that the petrochemical

complex would be completed

rose sharply two weeks ago

following the return to Japan

of a Government mission to

Iran, 'The mission was believed

ment participation.

The MITI statement said the said yesterday the group was

THE JAPANESE Government appears to be having second Missui group itself should make still awaiting a reply to its thoughts about rescuing the maximum efforts to raise funds request for Y50bn in aid. A financially-troubled Iran-Japan on its own, in order to finance company spokesman said he Petrochemical Company, a giant Japan's half share of the understood the Finance Ministry \$3.3bn (£1.5bn) complex near- Y100bn required to complete believed the requested amount ing completion on Iran's gulf the project. Mitsul is known to to be too large. be reluctant to put in more of

The Ministry of International its money and has been seeking Trade and Industry (MITI) in Tokyo said yesterday it hoped to decide after next month's general election on the request from Mitsui, the main Japanese partner in the project, for Government financial assistance. Moreover, there are indica-tions that the Japanese Finance Ministry is only prepared to put up a fraction of the Y50bn (£104m) aid Mitsul is seeking.

to have agreed in principle to provide the necessary finance following Iranian reassurances that the plant would not be Economic Co-operation Fund. MITI yesterday also introduced a new element into the contronationalised and over Japanese oil supplies. versy by calling on Mitsui to In response to the Govern-years at an interest rate of ment's latest statement, Mitsui about 3 per cent. the plant's future

profitability.

In particular it is worried by the recent decision to impose higher road taxes on try significantly strengthened its 96.4 per cept of its imports from larger cars. Vehicles of this kind, says the industry, are close to wiping out its tradi- and 86.3 per cent in the six-tional deficit with the rest of months before that flag carriers for the French manufacturers, and should bring in overseas sales of

The country's surplus in chemicals reached FFr 4.98bn (£556m), which was 32 per cent more than in the previous six months and 54 per cent up on the first half of 1978.

Exports of FFr 23.7bn were 26 per cent higher than a year ego, while imports rose at a rather slower rate of 20 per cent to FFr 18.7bp.

BY SUE CAMERON, CHEMICALS CORRESPONDENT

THE EUROPEAN chemical losing market shares because of

European chemical industry's change" was taking place in

own domestic customers were Europe's market place.

position as a net exporter in the them, compared with 92.3 per first half of this year and is cent in the previous half year

The UK moved up from

French overseas sales improve

fourth to third position among France's outlets, taking FFr 1.98bn worth of French chemical products, 45 per cent more than a year earlier. West Germany and Italy remained the main expont markets, with Italian purchases increasing by

42 per cent. Ireland's imports of French chemicals shot up by more than 90 per cent. ent to FFr 18.7bn.

A large proportion of France's between 3 per ce
France's exports to other EEC overall surplus comes from cent for the year.

Finished goods threat to EEC

Yet European chemical pro-ducers tended to see the danger

from imports purely in terms

Eastern Bloc and Middle Eastern countries which wanted

to develop their own chemical

industries. But a

THE FRENCH obscuical indus- countries were enough to offset essences and perfumes and from pharmaceutical products. But these are emong the less spectacular sectors for export growth. The higgest increases in foreign sales came from plastics (41 per cent since last year's first half), plant chemi-cals (32 per cent) and synthetic

Unconfirmed reports in Tokyo

said the Finance Ministry

wanted to draw the line at Y10bn, a fifth of the requested

Despite the latest delay, the

prospect that aid will eventu-ally be provided has not been

ruled out. Yesterday's state-ment said that the Government

assistance would probably take

the form of a low interest, long-term loan from the Overseas

Loans from the Fund are

usually for periods of up to 30

rubber (30 per cent). By volume, plastics and synthetic subber exports rose by 20 per cent and 21 per cent respectively.

The industry is expecting its overall growth rate to slow down in the second half to reach between 3 per cent and 4 per

"The threat to the future of

Saudi ethylene or Czechoslovak

synthetic rubber but rather that

polyester bedsheets made in

nationale Chemie, said.

growing competition from the European chemical industry foreign imports. This was is not so much from imports of happening in "many important Saudi ethylene or Czechoslovsk

Nott seeks

Australian tariff delay

CANBERRA—Mr. John Nott, the British Trade Minister, has called on the Australian Government to delay dropping trade preferences with Britain.
Mr. Nott said yesterday that
he wanted a four or five-month gap to allow British manufacturers and Australian Importers to sort out their orders.

Mr. Doug Anthony, Austra-lia's Overseas Trade Minister, announced on Wednesday that traditional trade preferences with Britain on 500 items would be abolished and given to developing countries.

Mr. Nott told a Press conference that the British Govern-Taiwan tractor tyres made in ment understood that trade Czechoslovakia and a host of preferences could not continue other finished goods with a indefinitely, but felt sufficient large chemical content are reaching Europe in increasing quantities," Mr. Lelyveld, a former director of Shell Intersider his request.

### pulhorities have encouraged Pewex overall sales last year

BOND DRAWINGS

MORTGAGE BANK OF FINLAND OY US120,000,000 944. GUARANTEED BONDS 1981

HAMBROS BANK LIMITED HERBBY GIVE NOTICE that in accordance with the car for whose mentiones lean the redemption for 15th October, 1979 has been as in the purple, or US\$ 766.00u nominal bonds and the balacte amounting

| 1868 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 1872 | 

14616

**ENERGY REVIEW: CONSERVATION** 

BY RAY DAFTER, Energy Editor

industry could lose part of its market "irrevocably" because of the growing volume of imported finished goods coming into the Common Market, Mr.

Yet

Eddy Lelyveld, chairman of the

continental European section of

the Society of Chemical

Speaking at a meeting of the society's Canadian section in

Quebec, Mr. Lelyveid said the

Industry's warned yesterday.

# Key to economic stability

ning of International Energy Product actually rose by 8 per Conservation Month. A decade cent in OECD countries between Conservation Month. A decade ago this event would probably have ranked alongside one of Britain's more obscure charity flag days "-worthy, useful to a limited extent but hardly of relative to income, the U.S. worldly significance. How times have changed.

Belatedly, energy conservetion is now becoming recognised as a key to economic stability in times of uncertain fuel supplies and fast-rising prices. A concerted effort on conservation—one only just started by the leaders of major industrialised countries—could have as great an impact as a full-scale expansion of nuclear energy, the development of alternative energies, or accelerated growth in international coal trading.

Not that these are alternauves. Each will have to feature in the world's energy strategy if we are to emerge from the present mess in reasonable shape. This is a message contained in a new report from

taining economic growth: Removing price controls and finds its market price:
Ensuring that energy proapportunities to develop more resources of energy in all fields: · Encouraging more research

of energy by both industrial and

already evidence that higher servation policy in the U.S. prices and fuel shortages have could "provide" almost half of compelled energy users to be more efficient. This is particuiarly the case in industry. For instance, in countries within the Organisation for Economic Co-operation and Development the energy input per unit of industrial production in 1977-78 appears to have been some 7 per cent below the 1970-73 average, according to BP. In the U.S. the improvement was even more marked with a drop of about 20 per cent over the same

The picture seems to be different when it comes to the personal use of energy. BP can be.
found no doubt to its dismay. For example, in 1973 Exxon found no doubt to its dismay, personal energy consumption could see energy demand in non-

1974 and 1977 although in the U.S. the trend was just the opposite. In spite of a sizeable increase in petrol consumption, recorded an improvement in personal energy consumption of

The U.S. can do so much to set the tone of world-wide energy conservation measures. It is the major energy user, accounting for 30 per cent of world oil trade and some 16 per cent of non-Communist world production. It has been the butt of the attack by major oil producers, seen by them as profli-gate in its use of energy and slow to respond to the changed supply position. But as the BP report shows, the U.S. has at least made a start in the area of conservation. But so much more could be done, given sensible policies and a consensus commitment behind such

tained in a new report from British Petroleum's policy review unit. BP puts it bluntly: "The energy crisis is here. We have to choose between forzoing economic growth or starting to grow without more oil." It adds that energy will be far more expensive in the future, so much so that some consumers who are already dependent on society for help may need further assistance to meet the cost.

BP puts forward four general conclusions of ways for easing the energy problem and maintaining economic growth:

Equivalent

The opportunities in the U.S. have been outlined by the Harvard Business School in a new report which is having a considerable impact within political and energy planning circles. The authors of the report, Professor Robert Stobauch and Dr. Daniel Yergin, believe that the U.S. rould raise its energy supply from the equivalent of 37m barrels of oil a day in 1977 to 54m b/d of oil equivalent by the late 1980s without any the late 1980s without any increase in oil production or imports and only a modest growth (1m b/d each) in nuclear production and natural gas imports. The balance would come from

increased domestic coal production (an extra 4m barrels of oil equivalent a day), solar energy, energy: including hydro-electricity (up • Encouraging the conservation 3m b/d) and extra energy conservation (Sm b/d). In the Business School's eyes, there-On this last point, there is fore, a more aggressive conthe extra energy that might be needed between 1977 and the late 1980s. Whether the U.S. energy

needs in the late 1980s will be the equivalent of around 54m barrels a day is a moot point. One of the biggest problems associated with energy planning is that no-one is sure how economic conditions, conservation measures and the pricing and supply policies of major fuel producers will interact and affect energy demand in the future. Past experience has taught us how wrong forecasters

unit of Gross Domestic communist areas rising to the This seems inevitable, quite fuct actually rose by 8 per equivalent of 162m barrels a day apart from the impact of any political actions taken by OPEC by 1985. When making its forecast two years later the company trimmed the expected demand to a little more than 130m b/d. Exxon now sees little chance of the demand rising above 125m b/d.

BP concedes in its new report, "Oil Crisis-Again?", that its own forecast for 1985 oil production has changed considerably in recent years. In 1973 it forecast non-communist world production being perhaps 80m barrels a day in the mid-1980s, as against 49m b/d last year. Now it cannot see more than 63m b/d of oil being produced in 1985. Again, there is no certainty

that these supplies will be available. BP points out that to achieve this level of output in 1985, members of the Organisa one-fifth tion of Petroleum Exporting reserves Countries would need to pro-duce some 40m barrels a day, against their 31.6m b/d output last July. However, in its calculations BP has included some 9m b/d of "discretionary" OPEC production — oil output that could be withheld for political or economic reasons.

It remains an uncomfortable fact that over 80 per cent of the non-communist world's known oil reserves lie within OPEC member countries: over 30 per cent are in Saudi Arabia alone. To underline the concern of energy users in the West it should also be pointed out that two-thirds of the reserves lie in the territories of Middle East members and 72 per cent of non-communist oil

The uncertainty surrounding how quickly these OPEC countries will be willing to exploit their oil reserves is illustrated by the large number of varying forecasts that have been published in recent years. The International Energy Agency has published a fascinating monographt which has summarised some 78 of the more important forecasts. To take the extreme cases, one of the projections showed that by declines as the oil is depleted. 1985 the world would need some This decline can be partially (U.S. Central Intelligence or gas (methods aircady widely Agency, 1977); another foresaw used in the fairly young North (U.S. the need for no more than 30m Sea fields); it can be further b/d (OECD \$9 case, December arrested by more exotic 1974)

agreement within the energy carbon dioxide or heaf, for industry that from now on oil instance. But there are limits will remain in tight supply. This does not mean that sometime in the next century, the world is satisfy growing energy demand, going to "run out" of oil—a what will? Coal is an obvious popular misconception. Rather answer: world reserves are 10 as BP points out, the world is to 12 times that of oil. How- accelerating improvements and

members. For, quite simply, the rate of new oil field discoveries will soon fail to match the decline in production from existing fields. This will probably happen in the next five years so that the amount of oil available in the 1980s will not greatly exceed the amount of proven resources last year. By 1990 proven oil reserves—the amount ready for exploitationshould be lower than at present.

There are two underlying reasons for this pessimistic view. First, future oil discoveries are likely to be much smaller than those "super giant" fields which now account for much of the world's known reserves. For instance, over one-fifth of the proven oil reserves in non-Communist countries lie in just four fields; 29 oil fields account for almost half of the reserves. The remainder-130 per cent of non-Communist reserves - is scattered among no less than 30,000 oil fields.

To maintain the present level

of oil production, the oil industry must discover every year the equivalent of two Alaskas or as much oil as has been found in the North Sea in the past decade. However, for the past 10 years oil explorers have sought in vain for more "super giant" fields (those with recoverable re-serves greater than 5bn barrels) which could give this necessary boost. In the 1940s, 1950s and 1960s such huge fields accounted for the greater part of the oil discoveries; today, it seems, the industry must make do with a lot of smaller, often more remote fields.

### Field output

The second factor influencing the trend of future production concerns the rate of output that can be achieved in mature fields. The rate of production which can be sustained from any particular oil reservoir used in the fairly young North enhanced recovery schemes: There now seems to be general the injection of chemicals, instance. But there are limits to such processes. If oil cannot continue to

goin gto have to switch from an ever. environmental concern in energy efficiency, by stimulational and supply which grew at 5.5 per could inhibit the speed with ing non-OPEC oil exploration and which coal production is production, and by creating a century to 1973, to a supply which declines.

Discretionary Production Developments

Non-communist World Oil Production Switching

Oil Demand

of coal supplies—there has already been a 40 per cent reduction in the estimates of maximum potential production in the medium term. In 1974 the U.S. Energy Départment could see coal production rising from 335m tonnes of oil equivalent to between 675m and the 1985 projection was trimmed to 613m-730m tonnes of oil Similarly, nuclear

option has been put in doubt by those concerned about potential hazards and longterm environmental effects. Consequently between 1974 and 1978 the forward estimates of nuclear-fuelled electricity generating capacity within OECD comptries in 1985 has more than halved. In 1974 it was thought that by the mid-50m b/d of OPEC production offset by the injection of water 1980s nuclear energy might be providing 755m tonnes of oil equivalent within the OECD: some 13 per cent of the total energy supply. Last year the estimate was reduced to just 325m tomes, 6.5 per cent of the energy supply.

This brings us back to BP's conclusions and recommen-dations. The company believes that non-OPEC countries could find they way out of recession into economic growth by

oil available from producers. The accompanying graph in-

dicates the extent to which oil demand over the next two years decades must be restrained if consumers are to avoid putting pressure on OPEC to raise their output above the levels they themselves would prefer. Even a 3.5 per cent annual growth in oil consump-tion (half the pre-1973 trend) would put such pressure on OPEC; pressures that member states seem determined to

### Insufficient

The message is clear, within a few years the available oil supply will be insufficient to meet a continuing growth in demand-any growth. And that is regardless of any unforeseen production cuts, such as the one experienced in Iran. Titter major energy consumers move more quickly with their policies ment of alternative fuels, or they will find conservation forced on them, in the unweleconomic sluggishness.

\*Robert Stobaugh and Daniel Yergin, "Energy Future," Random House, \$12.95. †John R. Brodman production, and by creating a Richard E. Hamilton, "A Comparison of Energy Projections

اهكذا من الدّ عل

Financial Times Friday September 28 1979 The crisis of Socialism. NOW! with former Labour M.P. Brian Walden, asks "Will the Labour leader fight, fight and fight again?"

> Wale Validate of Colliner and ist he man sur legimo io keep control of the LabourParty? Brian Walder gives the . answer Can be wing Robin Cakiev makes a to i of the battlefield. What should Callaghan do? Union leader

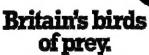
Frank Chapple give hiscontroversial verdict on the militants



nedkal N

teri, ultura

Sir Arthur Bryant reviews Antonia Fraser's latest biography.



How they are being saved.

> Encounters with the Past the verdict.

Professor Eysenck and Gordon Rattray Taylor give their expert views.



# The mission of John Paul II.

In NOW! this week, Paul Johnson looks at the man and his mission.

NOW! this week focuses upon two important events, the Pope's visit to Ireland and the Labour Party Conference,

There is an interview with John Wood, one of Britain's most acclaimed actors, whose Richard III might well be the first to challenge the authority of Laurence Olivier's definitive performance.

We also have a picture special on Israel. Hugh Thomas examines what the Russians are doing in Cuba.

And Clive Barnes writes about the new Broadway season.



Patrick Hutber on a City scandal

on gardening.



The news magazine.

# Plea for moderate action to save fuel

By Kenneth Gooding, Motor Industry Correspondent

A WARNING that governments should not endanger the viability and competitiveness of the European motor industry by taking hasty action to conserve fuel came yesterday from the UK Society of Motor Manufacturers and Traders.

The society pointed out that 2.5m people are directly engaged in the manufacture of motor components materials for vehicles in the EEC. The industry was "essential in a modern industrialised society."

Therefore "government policy must recognise the constraints is forced to operate, taking due account of the lead times involved in effecting changes in vehicle design and of the need to safeguard the profitability of existing investment."

In a paper "Energy and the Motor Industry," the society argued that national energy policies should reflect the place of road transport in a country's economic and social structure.

### Censumption \

Road transport would remain cipal energy cource well into the next century. And "no vative change of direction in internal combustion engine for market, applied abroad as much the mass of road transport."

The paper points out that as at home, since 1974 the average fuel conhas decreased by Ministers here that Britain around 10 per cent and that the manufacturers had committed themselves to getting a able to provide more official aid further 10 per cent improve to less-developed countries. ment by 1985.

But progress depended on : Legislation on environ-mental and safety require-

Geoffrey urged that the private sector should accept a bigger The ability of manufacturers to carn the money to finance and develop more fuel-efficient This blunt message, expressed On the overseas aid question, of meetings such as this one the International Development in characteristically quiet lanhe stressed that Britain's believe there has been greater Agency, the bank's soft loan guage, represents a clear break ability to help less prosperous realism and less stridency in arm.

 The car owners' willingness to accept new car designs and to pay for the necessary

A351C. Leitester Shuare. 930 6915. Issue Carradine DEATHSPORT (XI, 205 3:10 6:15. 9:20. DYNAMITE FOMEN (XI, 1:30 4:25. 7:40.

All Ways and British Petroleum British team for the 1980 British team

Parry, chairman of the Wales

LECCISIC SQUARE THEATRE 030 5252

The China Symprome (A). Sec.

L. W. 201. 1.15 245 2515. Late Night
L. Sa 11. 5. 245 2515. Late Night
L. Sa 12. 5. 2515 2515. Late Night
L. Sa 12. 5. 2515 2515 2515. Late Night
L. Sa 12. 5. 2515 2515 2515 2515 2515
L. Sa 12. 5. 2515 2515 2515
L. Sa 12. 5. 2515 2515 2515
L. Sa 12. 5. 2515 2515
L. Sa 12. 5. 2515 2515
L. Sa 12. 5. 2515
L. Sa

rigs hable in advance.

PRINCE CHARLES Liek. Sq.). 437 8181.

World Premiere Presentation

SCUM 3.

SCUM 3.

12.30, 245.

7.5. 8.35 Late show Nightly 11.15.

Seats \$556 £c. \$857. South to China Cours 437 3300 Laid courage to identify with mer the Dige HUNTER (2) 12.45. and its tourist industry.

# Nuclear power growth needed, electricity conference told

Secretary, warned yesterday.

He told delegates at the South West annual conference of electricity supply committee members in Exeter that Britain's annual energy import requirement in the year 2000 could be more than 100m tonnes of coal equivalent.

"Some of these requirements may be able to be met by im-ports but on any realistic assumption we shall find it difficult to meet our demand at tolerable prices without a contribution from nuclear power,"

Energy Under Secretary, also stressed the importance of

economic policy in favour of

He told the annual meeting

would have "to get its own house in order" before being

While continuing to support

an expansion of the resources of

the World Bank and an enhance-

Monetary Fund's activities. Sir

Welsh air

attacked

service cuts

the International

plans to cut services from Car- Games

Closing filling stations when

petroleum companies were mak-ing "massive profits" must be

questioned by public bodies and

by every sensible person. Lord Parry said. It was "deeply

Commonwealth Finance

man, has urged the Government and to step up the production Energy Trends.

There were good grounds for come to an end. hoping that BP's position in Consumer vo

favouring more overseas aid.

Sir Geoffrey urged Common-wealth countries to make more

effective use of existing institu-

such an environment and eco-

that the recent liberalisation by

Land-Rover is

Olympic sponsor

By Our Midlands Correspondent

build-up period and during the

man of the British Olympic Association, said yesterday

that transport costs formed the

Sir Dennis Follows,

major part of outgoings.

offensive" that British Airways shops have been belted by a should lack the faith and the strike at the Rowntree-courage to identify with Wales Mackintosh warehouse in Penk-

Sweets halted

DELIVERIES OF sweets and chocolate to West Midlands

nomic performance.

and of private capital

should not be forgotten, he said. down.
The politicians' job was to Sir

The Chancellor also argued Canada.

BY PETER RIDDELL, ECONOMICS CORRESPONDENT, IN VALLETTA

tions, including the market to the review of public spend-place. The role of the private ing plans. It is likely that

create and maintain an environ- Press conference that there was

more freely around the more rillustration of greater number nations as long as they did not by politicians."

Officials with long experience one as this one

BRITAIN will face a substantial our conventional energy world 51 per cent holding, to keep • Sue Cameron writes: Britain gap between energy demand and the very different one we Government control of the com-used 5.5 per cent more energy the next two decades. Mr. he told the Central Kent ProNorman Lamont, Energy Under
Secretary warned vectorday

will face in the next century," pany.

in the early part of this year

ductivity Association in face serious charges of first from drawed clickly. ductivity Association in face serious shortages of fuel tion dropped slightly in June Maidstone.

Meanwhile, Dr. David Owen, the Opposition Energy Spokes plement conservation measures from an official publication,

man, has urged the Government to abandon its plan to sell some of fuels other than oil, the head of firels other than oil, the head of British Petroleum's "think tank" said yesterday.

In a letter to Sir Geoffrey Mr. Robert Belgrave, who howe, the Chancellor of the Exchequer, Mr. Owen said it would be particularly unwise to sell the shares now.

There were good general for the shares and to step up the production between May and July this year was 21. In tonnes—7.3m more than in the same period last year. Deliveries of crude to UK refineries totalled 25.2m tonnes and 40 per cent of this came from the UK sector of the North of the shares now.

Nigeria would be restored and this should itself add substanti-

tribution from nuclear power," he said.

Mr. John Moore, another Energy Under Secretary, also stressed the importance of energy conservation yesterday.

"It is an essential and vital part of our energy policy and will provide the bridge between this should itself add substantial and substantial and substantial and substantial this should itself add substantial and substantial this should itself add substantial dustry and the prospect of it showed a 0.3 per cent increase making profits that were necessary to stimulate investment. Estimates for coal, nuclear song gas supplies had all been reduced, both by industry and government sources.

Mr. Owen said that if a sale government sources. The was still contemplated, it should be restricted to no more than will provide the bridge between this should itself add substantial dustry and the prospect of it showed a 0.3 per cent increase on 1978. Coal consumption between reduced, both by industry and government sources. The was still contemplated, it should be restricted to no more than stitutional and social," he said.

It was also reasonable to hope for additional oil finds from BP's worlds and gas supplies had all been reduced, both by industry and government sources. The was still contemplated, it should be restricted to no more than stitutional and social," he said.

participants. Instead, there tends to be a series of formal

The final communique, pro-

The Ministers, who will be

an increase in the flow of

increase in the World Bank's

capital and for the replenish-ment of the resources of

duced last night, was shorter than before. It recognised the

# threat to hovercraft service

THE FUTURE of the world's commercial hovercraft route is in jeopardy because of

Planning permits for the beach terminal at Southsea, Hampshire, expire next year, and councillors at neighbouring Gosport are to oppose renewal. The case has been taken up by Hampshire environmental planning sub-committee and Ports

mouth city council. Operators of the service to the Isle of Wight claim that moving the terminal would make the route uneconomic but plans are in preparation for a quieter craft.

### Council cutbacks

PUBLIC SPENDING cuts of more than £6m were approved by Northamptonshire County Council yesterday in spite of threats of industrial action by trade unionists. Because of the cutbacks 500 council employees are are to lose their jobs.

### Ford raise prices

Howe hints at overseas aid changes THE LIST prices of Ford commercial vehicles have been in-creased by an average of 3.6 per cent. The group has also raised the prices of some cars after changing to the specifica-SIR GEOFFREY HOWE, Chan-with previous British Chancel-countries was dependent on an some of the speeches than pre-cellor of the Exchaquer, yester-lors, who tended to accept more improvement in Britain's own viously, although there is little day indicated that the Conser-readily the views of the lobby economic position. At present genuine discussion among the

### Managers' salaries

COMPANIES ARE still not clear on how best to reward top management in the light of the Budget changes, but more senior managers prefer cash to beneproblems of poorer countries and also the difficulties of richer Commonwealth members. fits in kind, says a survey by Keyser Ullmann on Top Management Remuneration in Con-sumer Goods. Manufacturing, Retailing, Leisure and Services

### Pollution claim

GOVERNMENTS AND oil companies are accused of being "indifferent" to the problems of sea pollution in the latest edition of Jane's Ocean Technology 1979-80. The book claims that insufficient cash is available to fight pollution.

### Renault launch

RENAULT Trucks and Buses has announced two new commercial vehicles designed for the UK market. The vehicles, are a lightweight tractive unit to haul 32 tons and a 16 ton chassis cab.

### Health check

FAMILY DOCTORS favour the expansion of private general medicine according to a survey conducted by Pulse published yesterday. More than 88 per cent felt that private insurance schemes, such as those operated by BUPA, should be extended into general medicine.

### **British Airways** to cease

Guernsey flights BRITISH AIRWAYS is to cease all services to Guernsey from April next year and the airline's station on the island is to close, the Channel Islands Air Advisory was told yesterday. British Airways said the air-

line's Guernsey routes were uneconomical and that its fleet of Viscounts which are used on the routes would be phased out by 1981. The airline had no plans to replace them with jet

# Noise ban | Hong Kong charges over Saint-Piran

BY JAMES BARTHOLOMEW IN LONDON AND PHILLIP BOWRING IN HONG KONG

holders in Saint Piran, the con- companies. troversial British public com-

The move comes after a year of conflict between Saint Piran and certain shareholders who have maintained that Mr. James Raper, a previous chairman of Saint Piran, has continued to exercise considerable influence over the company—an assertion that Saint Piran has denied.

Among the charges faced by Sterling Azalea, Apricot and Charnwood Investments, their directors, company secretaries and managers are failure to disclose information relating to their holdings in Saint Piran and furnishing the Commis-sioner for Securities with false or misleading information.

Individuals named in the charges are Mr. Charles Ian Skinner, a director of Charn-wood, Mr. Wong Chun Ming and Mr. Tso Joe Tak, a director of Apricot and Sterling Asalea. All three are charged under section 123 of the Securities Ordinance which gives the Securities Commission power to require disclosures.

Earlier this year Mr. Max Gasco.

THE HONG KONG Government Lewinsohn and other dissatisfied has brought 26 charges against shareholders at Saint Piran also three local companies which attempted to find out who was used to be substantial share behind the three Hong Kong

The answer received by Saint Piran to its own formal request for information was that the

three held shares in Saint Piran

in their own right and not for the benefit of someone else. The Lewinsohn group con-tended in court that this was untrue but failed in its application to stop the companies and four other companies registered in Panama and Luxembourg from voting on the

group's motion to eject the Since then the three com-panies appear to have sold their holdings to Gasco Investments, a Hong Kong company chaired hy Mr. Raper. The share-holders register shows transfers on May 10, of 400,000 from Charnwood, 550,000 from Sterling Azalea and 320,000 from

Apricot.

The transfers are numbers 9906, 9907 and 9998 respectively and these same numbers were also on the account of Vibong Nominees when it acquired the same number of shares in Saint Piran at the same time. Vihong Nominees appears to act as nominee for

### Farmers beaten in bid for 2,700-acre estate

BY CHRISTOPHER PARKES

AN UNNAMED insurance com- on the estate-one holding was pany has outbid local farmers farmed by the Browniow for ownership of a 2,700-acre trustees had raised funds to for ownership of a 2,700-acre trustees

The Hough on the Hill estate of the late Lord Brownlow went to the anonymous buyer after a bid of more than £3.5m, according to the agents, Savilla. The bid was tendered by London agents Smiths-Gore.

Tenants on six of the farms next year.

arable farming estate on prime buy the land themselves. But, land in Lincolnshire, which produces £42,000 a year in rents. estates in the area recently. they were outbid by a City in The tenants said they were

log CL

The last of the la

The state of the s

dation e

disappointed but were fairly confident that radical changes in the running of the estate were unlikely. However, estate rents are to be reviewed early

## **Old Masters dominate Burlington Art Fair**

two years ago.
Almost 500 works are

### SALEROOM BY ANTONY THORNCROFT

about £150,000 and since the 39 exhibitors include many of the leading London art dealers most this time most of the exhibitors are British, including Colnaghi, Heim, Spink, Richard Green and Christopher Hood.

but few moderns apart from items from Ivor Buowman's Hague Gallery which is offering

THE BURLINGTON International Fine Art Fair, offering probably the finest collection of pictures for sale in the world, for include a fine "Virgin Friedred" by Jeenbrandt, and opens at the Royal Academy Enthroned" by Isenbrandt, and today and continues until a striking portrait by Zurbaran October 12. The Fair follows (both from Trafalgar Galleries); the success of a similar venture a Van Os still life at Richard Green; a tiny Tissot at Chris-Almost 500 works are on offer topher Wood; a pretty Lavery at at prices ranging from £100 to Spink; and some interesting Continental paintings at the Louise Whitford/David Hughes

Christie's concluded its disposal of the contents of North Mymms Park, near Hatfield, the former home of Major General Sir George Burns, with a book sale which brought the total for four days to £2.509m. over

of the pictures are in the four-to five-figure price range. Unlike the first Fair in 1977 yesterday was £5,000 for a 12auction forecasts. The top price yesterday was £5,000 for a 12-volume Bible in French, printed in Paris between 1789 and 1812 by P. Bozerian, Jeune. Mean-while, in Edinburgh Sotheby's Another change is an has begun selling Scottish emphasis on Old Masters. There books, many the property of the are some 19th century works Free Church College. A small roomful of theological books fetched £2,500 and about 3,000 18th- and 19th-century pamphlets made £1,550.

# Mrs. Oppenheim opposes change

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

A CONFRONTATION between progress toward competition of the metrication programme. The Metrication Board is about to force the issue with

a special report to the Govern-ment calling for action to com-plete the programme and so, according to Mr. Max Wood, its chairman, get "rid of the burden of costs that two measurement systems impose on British industry."

The Board is backed by the VBI and other business organisations in its desire to finish the switch to metrication started some 14 years ago. "There can be no turning back for industry and commerce in Britain," said Sir John Methven, the CBI director-general, yesterday. The Retail Consortium, after

a meeting with the Board yes-terday, said that it was "dis-mayed" that the Government still "refused" to sort out the muddle over metrication.
But the Board and its supporters face opposition from Mrs. Saily Oppenheim, Minister for Consumer Affairs. She has long campaigned against an enforced switch to metrication,

preferring a slower change on an entirely voluntary basis. Last year shew as behind an impressive victory over the forced a climbdown over its cess of switching to it, policy of compulsory metrication. Since the Tories came to programme has been power Mrs. Oppenheim has made her opposition to compul-sory metrication firm Govern-

On Wednesday she reaffirmed the Government and industry this policy, when opening a is building up over the slow pickle factory in Suffolk, by progress toward competition of emphasising that she had no metrication orders. But even Mrs. Oppenheim

be undone, since the U.S. is

cheese, fruit and vegetables, fabrics. floor coverings and home improvement materials. Fat stock markets and many port fish auctions are metric. per cent by value of these

by about 750,000 each year. The main sectors not so far metric are parts of the retail industry and road signs.
Retail areas not metric are weighed-out foodstuffs. some sales by length or area for carpets, fabric, hardware and petrol.

The retail motor trade has changed, then the public begins to sit up and take notice. She firmly believes in listening to grass-roots consumer opinion, and remains convinced that the ordinary member of the public does not want to be rushed into thinking metric in areas which affect his daily life.

Mrs. Oppenheim is backed by a province or armount of the public does not the public begins to sit up and take notice.

EMPLOYERS' PROBLEMS with young recruits bewildered by feet and inches because they were schooled only in metric measures illustrate the gap between education and the working

The Department, however, has little effective power over what is actually taught. Teachers,

examinations, which have mostly ceased to test knowledge of even everyday imperial measures. Many schools have reacted by "going metric" and abandoning the alternative system The consequent problems of employers and would-be workers are unlikely to be eased by

The best hope of a remedy lies in the investigation of mathematics teaching by the Cockeroft Committee which however, is not expected to make its recommendations to the Government until late next year.

major country in the world still using Imperial measures. Nearly 67 per cento f exports goes to countries already using Postal and telecommunication the metric system, and almost Labout Government which all the rest to countries in pro-In the UK the metrication programme has been imple-

will be in metric sizes. variety of other pre-packed goods, such as many drinks, to litres for petrol.
paint, and lubricating oils. Mrs. Oppenheim's decision to are in metric sizes.

Ordnance Survey maps. Measurements in athletics, rugby union, competitive swimming and greybound

called on the Government to announce a switch from gallons

stand firm over the remaining metrication programme is basically because the most contentious areas have been left

changed, then the public begins

a survey commissioned by the Metrication Board itself. This, made by NOP earlier this year, found that only 31 per cent of adults favoured chang-ing to metric, while 46 per cent were opposed.

Of those hostile to metrication, 29 per cent said they did not like change; 21 per cent did not understand the reason for change; 20 per cent thought it too complicated; 15 per cent said it would be too difficult for old people. However, 72 per cent of those

surveyed accepted that the metric system would make trade and business much easier.

Even small businesses, which might be expected to oppose because of the problems caused by the switchover, now favour the metrication programme being completed and the pre-sent confusion ended.

The Metrication Board has sought to dispel the argument that metrication leads to un-necessary price rises.

mented in:

Agriculture and norticulture.
industrial materials, construction, and large sections of and the number is increasing of apples, pards and miles are interested screw in the engineering companies ledges that a nangrul of switch to metric-sized screw inscrupious people will always threads, then the general public is not largely affected. But to exploit any new situation, he says that few companies ledges that a nangrul of interesting of metric-sized screw inscrupious people will always threads, then the general public is not largely affected. But to exploit any new situation, he says that few companies ledges that a nangrul of interesting of switch to metric-sized screw inscrupious people will always threads, then the general public is not largely affected. But to exploit any new situation, he says that few companies of a nangrul of the engineering companies industrial interesting of apples, pards and miles are the attention of the Board.

# How to bring the market to the product...



Industrial and Trade Fairs have the expertise and resources to bring the market to the product. And vice versa.

And in not just one market. But many, at home and abroad. As the world's leading independent

exhibition organisers, our list of successes takes in countries as far apart as China and Venezuela; and products as different as brewing and electronic equipment. Thousands of companies have

seized the marketing opportunities offered by these events. Yours can, too. Find out how, by

contacting:-

Industrial & Trade Fairs Holdings Ltd... Radditte House, Bienne in Court, Solihult, West Midlands, E91 26G Tel: 021-705 6707 Telex: 337073.



# Barrage of criticism for tachograph proposals

generally, he felt far from ings of the International isolated in view of the similar Monetary Fund and the World

opinions in Australia and Bank, repeated their call for

BY LYNTON MELAIN

the UK's ability to transfer

resources was limited and the overseas aid programme would

have to make its contribution

spending on aid will be held

ment hospitable to enterprise a surprising absence of specific flying together to Belgrade this and there was a correlation criticisms on this issue. More morning for the annual meet-

the UK of its exchange controls income tax rate had been cut official—to poorer nations. In would allow capital to move to 57½ per cent and all this particular, they urged rapid more freely around the world, represented an "encouraging approval for the \$40bn general

Sir Geoffrey said at a later

GOVERNMENT plans for to be fitted by April 1 next making the tachograph vehicle year. But until December 31. industrial transport users.

Mr. Malcolm Banks, president director-general of the association, told the association's possible to fit some vehicles national conference at East- by April because of "insufficient pational conference at East-by April because of "insufficient bourne that the draft regulations capacity" in Government-presented industry with "an approved centres.

The Transaction of the conference at East-by April because of "insufficient capacity" in Government-absurd if not impossible time.

announced by Mr. Norman calibrated and sealed. A total calibra

performance recorder compul- 1981, the use of tachographs sory after December 31, 1981, will be voluntary, apart from were announced yesterday amid lorries and coaches on journeys a barrage of criticism from to other EEC countries. Mr. Hugh Featherstone,

able." has approved 170 centres where The Government's plans were tachographs may be fitted.

ively to specified classes of hauliers. "But our evidence shows that two years is a pruc-Newly registered vehicles have tical phasing in period."

a Dufy and a van Dongen. • NEWS ANALYSIS-METRICATION TROUBLES

# manufacturing industry. Wholesaling of petrol, milk,

acknowledges that the metrica-tion in the past decade cannot

Pre-packed prescribed quantity foodstuffs, By 1980, over 90

They also illustrate the administrative gaps between Department of Education and local education authorities, and between local authorities and individual schools. The Education Department's stated policy for the past five years has been that children should be taught both the metric system and the elements of the Imperial system still in

especially in secondary schools, are more influenced by the nationally recognised school-leaving

the ending of the State drive for metrication.

committed to it. Britain could become the only

services and new and revised

while Mr. Wood acknow-If the engineering companies ledges that "a handful of

اهكذا من الدّ عل

Financial Times Friday September 28 1979

1.16 ( )

**COMPETITION ON FERRY ROUTES** 

# **Cut-price Channel crossings**

CROSS-CHANNEL ferry companies will have to re-think their pricing policy for next year after the declaration of a price-war by Sealink UK, the British Rail ferry company.

Most of the companies have recognised for some time that The commission said: "the a fares free-for-all was inevitable. But none, until now has Rail and European Ferries do had the courage or the finan-cial strength to lead the way.

The Channel has reputation of being the most expensive stretch of water to cross in the world. Attempts have been made to introduce more competitive pricing, particularly in the off-peak winter season. But the market on the short routes from Dover and Folkestone to Calais and Boulogne—has long needed more aggressive policies on fares.

The market for cars and passengers suffers from excess capacity, but demand, particularly for cars, is almost static. At the same time, the conventional ferries have started to feel the competition from the increasingly reliable giant hovercraft, operated by Sea-speed, a sister company of Sea-link, also owned by British Rail. Sealink UK, has been affected

by these developments just as much as European Ferries. through its Townsend Thoren-sen offshoot and P & O Normandy Ferries, its two rivals

on the short routes.

But Sealink UK's move to greater competition is also a with European Ferries. Both return companies have had a joint follow. pooling arrangement, for sailings and revenue for 14 years fare strategy is a plan to in-on the Dover-Calais route. Sea- crease the number of family and

ings and revenue from the pool and European Ferries the

The cartel was investigated by the Monopolies Commission in April 1974, in a report on cross-Channel car ferry services. not operate against the public interest."

However, the report also said it was only the involvement of French Railways—as joint operator of Sealink services in the agreement that stopped the commission recommending that the pooling should stop.

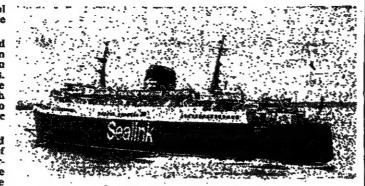
Now Sealink UK believes the

pooling arrangement has blunted its competitive edge on the short crossings. Mr. Derek Roberts, Sealink's UK's chief traffic manager for the services said yesterday European Ferries had "resisted change" and had not shown a "ready acceptance of the need for more aggressive pricing policies."

Normandy Ferries is ex-pected to be the main target of Sealink UK's new aggressive pricing policy. Mr. Roberts said yesterday that it was Sealink UK's intention "to become the John Lewis of the Channel and would never be knowingly undersold."

Sealink will attempt to start undercutting Normandy Ferries' fares on October 1. The fare for a car and two adults ona Sealink ferry will fall £10 reaction against its relationship to £50.40 for a five-day stay return fare. More fare cuts will

At the centre of Sealink UK's



A Sealink ferry sails towards Calais.

lom cars use the ferries to the wants to raise this to 5 per cent. The plan would raise the number of cars using the ferries by a quarter. Sealink expects this growth to have been achieved by the end of pext

Last year, Sealink carried 412,000 cars, 34 per cent of the 1.2m cars which were ferried across the Channel. The target under the proposed cut-price fares regime is at least half the

total market by 1982. The total number of cars and passengers expected to be carried over the Channel next year is not expected to differ greatly from last year's total. European Ferries is to introduce three new passenger and car ferries next year. P. and O. Normandy Ferries will add a third ferry to its Dover/ Boulogne route and Sealink UK has two ferries under construc-

Channel ferries. At the moment Belfast yard, both of which are only 4 per cent of Britain's expected to enter service next

> city in a market which is not expected to grow greatly at a time when the pressure for cut-price fares is greater than ever

> The full fury of the price-war Sealink UK has unleashed in the Channel ferry market is certain to hurt the less resiliant com-petitors. Sealink UK made a £12.1m trading profit in the last financial year ending in December on a £141.9m turnover. Its projection for this year is "a little better."

The price-war is also likely to sink once and for all the reputation of the English Channel as the dearest stretch of water. But with the Channel's reputation may also go the status of some established names of the ferry business, at a time when ferry managements will be hard pressed to compete against lowprice competitors and against on the Dover-Calais route. Sea- crease the number of family and has two ferries under construct hovercraft, which are winning link has two-thirds of the sail- business cars which use the tion at Harland and Wolff's growing portion of the traffic.

### New curbs sought on use of asbestos

TIGHTER regulations to cut the risk of brown and white asbestos causing cancer are being considered by the Health and Safety Commission.

The measures are proposed in a report by the commission's advisory committee on asbestos. They are believed to be based young scientists to notice from Surveys risk of cancer associated with the materials is greater than was previously thought.

The report calls for the control limits on exposure to brown asbestos-amosite-to be cut from the present one fibre per millilitre of air to 0.5 fibres/millilitre. It wants the limit on white asbestos—chry-sotile—to be reduced from two fibres per millilitre to one fibre.

Asbestes, which is resistant to fire and has great durability, has many applications, particu-larly when used by the building industry.

Controls on exposure to asbestos dust have been in force since 1970 when industry imposed a voluntary ban on the import of raw blue asbestos crocidolite—which is thought to present the greatest health risk of all three types.

The committee's report which will go to the Health and Salety Executive, calls for the new control limits on exposure to be introduced by the begin-But the executive is understood to be worried that industry will resist attempts to tighten exist-

### Guide assesses inflation effects

A PRACTICAL guide for businessmen on the muture effects of inflation is included in a Financial Times management report by Professor Jack Revell hich is published today. It says that all rules of thumb which had been applied under stable conditions have ceased to be

The report Inflation and Financial Institutions, assesses inflation's likely impact on banks, savings banks, building societies, life assurance, pen-sion funds and general insur-ance. It costs £50, including

# **Promotion bottleneck** 'threat to British science'

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

is threatened by the overcrowd- the next 10 years. according to a Government

The unpublished report to the Advisory Board for the Research Councils suggests private industry should be asked to help relieve the promotion blockage. Companies could help bring innovative Companies

BRITAIN'S SCIENTIFIC effort dons who are due to retire in environmental research last

be forced out, however, because roughly, 95 per cent of dons have a contractual right to life tenure of their jobs. An Act of Parliament would be needed to

In universities, people aged many specialised research insti-industry, the Government report

year all showed that more than ing of universities and research. University authorities are half the main-line scientific staff institutes by younger staff, attempting to ease the block by were under 40—56 per cent in encouraging early retirement, agriculture, 57 per cent in Unproductive older staff cannot science, and 71 per cent in environmental work. Nearly half the Civil Service's

science group saff is under 40, and about 55 per cent are less

Unless more opportunities for young scientists are provided by such means as projects. 40 and under make up 60 per tutes.

Says, the blockages probably cent of academic staff, outSurveys by the councils for "cannot be solved over the numbering by four to one the agricultural, scientific, and next 15-20 years."

# Workers given second chance to accept deal to save factory

BY RAY PERMAN, SCOTTISH CORRESPONDENT

threatened with closure are being given a second chance to accept a £2.5m deal. The 600

increase conditional on several and conditions offer must be found.

jointly want to take over the factory.

But unions have now been employees will be balloted on told by Mr. George Morley, managing director designate of Last week workers rejected the new company which would an offer of a 12 per cent pay run the factory, that the pay

WORKERS AT Lawson's of changes in working practice, accepted as it stands if the Dyce, the Aberdeen pork It came from Northeastern rescue is to go ahead, products factory which is Farmers and the Scottish Scottish Stands at the factory David Davi decided they would recommend

acceptance and a ballot of employees is to be held. The results should be known on Friday. Unilever, which owns Law-

son's, has said it will close the factory if a buyer cannot be

# Ulster faces second big fibre industry cutback in month

BY RHYS DAVID, TEXTILES CORRESPONDENT

ICI FIBRES is to stop production of polyester flat yarn at polyester flament output.

Kilroot in Northern Ireland. It will be the second big fibre industry cutback in the province capacity in polyester filament-

this month.

The ICI cuts will be phased in during the second half of next year. They are being blamed on a combination of technical and it had proved impossible to surge in U.S. imports of polyester yarn into the British market. marketing factors, including the recoup higher oil raw material

Similar reasons were given by Courtaulds earlier this month of the Ulster cutbacks. Pro-for cuts at Carrickfergus, Larne duction will be increased at and Maydown in Northern Ireland. A total of 650 jobs will

used in men's and women's knitted and woven outerwear— since the mid-1970s. Prices had nyinn plant. Courtaulds has been introas a result been depressed and

Neither ICI nor Courtaulds is reducing its total output of polyester filament as a result duction will be increased at

ICI is phasing out its Northern Ireland production to coincide with an increase in output at Pontypool, Gwent, where polyester facilities are being added alongside existing

facilities at Letterkenny in the Irish Republic. This was planned in the early 1970s when continued rapid growth in the market was expected.

ICI said vesterday that the technological resources needed to run the new polyester plant other more modern plants already existed in Pontypool where new equipment has been and it would be too expensive

# Labour 'must win battle of ideas'

BY RICHARD EVANS, LOBBY EDITOR

THE LABOUR PARTY, while in opposition, must create a new climate of opinion favourable to democratic socialism and ensure that it wins the battle of ideas at the next General Election, says the author of a Fabian

loyalty. Mr. Radice, a leading mem-

ber of the Manifesto group of moderates, argues that Tory monetary and fiscal controls are not sufficient, and a permanent prices and incomes policy is needed to control inflation. Democratic consent should be obtained by putting the pay pro-posals to a ballot of all union

He stresses the importance of for management should be seek a social contract with community—the feeling that about seven or eight times industry similar to the one comes from common activities average earnings before tax, in achieved by the Labour governand values-and the support of order to prevent too wide a ment

small-scale organisations to gap, but he is firmly against a which people give their primary large extension of nationalisa-

The weakness of British industry is related more to ineffective use of resources and to poor design and marketing of products, by public and private industry, than to the ownership of companies, says Mr. Radice.

Emphasising on the search for co-operation and consensus He suggests top rates of pay he says the Government should for management should be seek a social contract with about seven or eight times

Under this, companies would disclose information and plans to the Government, in return for promises of stable economic policies, including a realistic exchange rate and a reasonable return on investment.

But if the search for a new social contract failed, then legis-lation should be introduced. Mr. Radice does not dispuiss the use of import controls, provided companies were monitored to ensure they were using the breathing space acquired to become more competitive.

campaign spending to be probed

Stevas

THE DIRECTOR of Public Prosecutions has asked the police to investigate a com-plaint that Mr. Norman St. John Stevas, Leader of the Bouse, infringed regulations by spending too much on his General Election campaign. The complaint was lodged on behalf of the Liberal

candidate for Chelmsford, Mr. Stewart Mole, who claims that Mr. St. John Stevas spent £1,000 more than he should have done during the campaign.
The allegation followed a

series of bitter exchanges between the Tory and Liberal agents at Chelmsford.

Practice

The DPP bas already asked the police to examine various aspects of Mr. Mole's own campaign to see if his campaign literature compiled with the regulations.

The Department of Public Prosecutions said yesterday that since the director has no machinery of his own to investigate complaints, it was the practice to ask the police to establish whether allegations about over-spending had any substance.

The department confirmed that the police had been asked to make inquiries about the handling of Mr. Mole's and St. John Stevas' campaigns. Early in the campaign, Mr.

St. John Stevas seemed to regard Mr. Mole as a quite serious challenger in Chelmsford, In the event Mr. St. John Stevas had a maority of over Since the election, both

candidates have filed their expenses, but Mr. Mole's agent has alleged that the figures submitted by his Conservative counterpart do not reflect the true level of spending.

### Dr. Coggan praises servicemen in Ulster

Dr. Donald Coggan, the Archbishop of Canterbury, who was attacked by Mr. Enoch Powell on Wednesday night for "encouraging" the IRA, yester-day spoke of his admiration for servicemen and policemen in He said at a London lunch that

on his visits to Northern Ireland he had sought to bring encouragement to the men engaged in the difficult task of keeping law and order. They were fulfilling their task "with

bravery and persistence."

Dr. Coggan said that the Church of England and the British Council of Churches, of which he is president, joined in the joy of their Roman Catholic friends in Ireland at receiv-ing the Pope as their guest this weekend. "We shall in a very special

way unite our prayers with theirs in seeking peace and reconciliation in Northern Ireland and commit ourselves anew to work for a solution to its problems."

problems.

In a speech in his South
Down constituency last night,
Mr. Powell alleged that in his
sermon at the funeral of
members of Lord Mountbatten's family, Dr. Coggan had said the union of Great Britain and Northern Ireland must be "ex-terminated."

### **EEC** directive on accountancy 'too inflexible' By Richard Evans, Lobby Editor

CONSIDERABLE reservations on the European Community directive on the qualifications of company auditors are ex-pressed by a House of Lords select committee in a report

published today.
The Lords European Communities Committee strongly supports the principles of the draft directive published in April, 1978, but argues that in its present form it could seriously affect the UK accountancy profession.

The directive aims simply to

harmonise equivalent minimum qualifications and will not automatically lead to the mutual recognition of degrees or to general freedom of access to jobs within the EEC. But the committee believes it

is important that educational standards and professional obli-gations should not be imposed by rigid legal rules. The committee urges that developments in accountancy practice and education should be kept under review and that some flexibility should be

allowed in the application of the directive's provisions. Twelfth report from the THE LIBERALS AT MARGATE

かかいいいる

# **Troops pullout** from Ulster call rejected

Liberal Party to a policy of fixing a date for the withdrawal of British troops from Northern reland and their replacement by a UN peace-keeping force was defeated by a large majority at the party's Assembly yester-

The only Liberal MP to speak out categorically in favour of the proposal was Mr. Cyril Smith, who called for a united Ireland governed on a federal basis, and said it was essential to get a new initiative in

He did, however, receive qualified support from Mr. David Alton, MP for Liverpool Edge Hill, who said he did not believe a military solution was possible in the province and emphasised that the time must come when British troops will

have to be pulled out. The defeat of the controver-sial troops out amendment — by a majority of about two to one - came as a great relief to the

party leadership.
They feared that had it been carried it would have damaged the party's prospects of electoral recovery and would have made the Liberals appear irres-

The two-hour debate-which which was a sober and restrained affair — demonstrated the divisions which existwithin the party on Northern Ireland.

Responsibility Mr. Stephen Ross, MP for the Isle of Wight and the Liberal spokesman on Ulster, warned that if the amendment was approved it would be "utterly disastrous."

He said it would run contrary to every undertaking successive governments have given to the province. "I don't believe the Liberals can possibly be a party

Mr. Alan Beith, Liberal chief whip, declared: "We have responsibilty and we cannot shed it. Don't do it. There are very few of us in the Parliamentary party who could possibly support it and I arge you not Mr. Richard Moore, a leading

supported the amendment which was nothing more than an easy, cloud cuckooland" option. By a large majority delegates lem. But, said Mr. Murray, the approved the main resolution only honest answer was that which called for the setting up there aws not one.

Northern Ireland to be elected by proportional representation. Another amendment calling for the unity of the Irish people within the EEC was rejected. A demand for the repeal of the emergency powers the province was also defeated. Mr. Smith, who received con-

siderable applause for his views, made a bitter attack on Mr. Enoch Powell, Ulster Unionist MP for Down South. He said that Mr. Powell, some of his colleagues and the people for whom they were standard-bearers, bore more responsibility for the atrocities in Northern Ireland than the prayers of the Archbishop of Canterbury or anyone else.

"Mr. Powell is a purveyor of hatred and he and his mates are an affront to Christianity and all that it stands for."

Neutral

Having announced its determination to move towards that objective, the Government should withdraw British troops. them out next week. But he did advocate a firm determina-tion to withdraw in order to should be given for an orderly referred back.

"Tintil it is also and in removing compulsion, was movement towards union.

Until it is clear that we are so determined, a political solution will not be found," he said. The amendment proposing the fixing of a date for the replacement of British troops

by a UN peace-keeping force was moved by Mr. Rowland Morgan, Parliamentary candidate for Weston-super-Mare. "It is not the presence of troops that causes the violence and bloody reactions but the fact that they are British," he argued. "A peace-keeping force thta is neither British nor Irish would be seen by all sections of the community to be perform-

ing a netural role." Moving the main motion, Mr. James Murray, Secretary of the Ulster Liberal Party, warned delegates to weigh their words carefully.

Any apparent weakening in the resolve of a significant polimember of the party, out-tical group in Britain to beat spokenly declared that it was terrorism could be interpreted tical group in Britain to beat deplorable of Mr. Smith to have as a sign that the terrorists were winning. People were asking what the

solution was to the Ulster prob-



Mr. James Murray: No answer to Ulster problems.

# Greater stress on community politics

A NATIONWIDE breakthrough dation of any good political at local government level is to party is to be found not in its be the primary electoral target of the Liberal Party over the

next three years. The Assembly set this an establishment veteran who objective after agonising over sat in the Commons for 14 the danger that still greater years as MP for Huddersfield emphasis on community politics could imperil the achievement of the wider national appeal needed to bring about the long awaited Liberal revival at the next general election.

Fears that undue concentration on securing the repair of cracked pavements would prevent Liberals lifting their eyes to broader horizons were swept aside by Mr. Cyril Smith, MP for Rochdale, in a speech which dominated a debate on

party strategy.

With an optimism which
matched the mood of most of
the delegates he looked forward to the number of Liberals serving on local councils being increased by 100 next year, and to 500 Liberal county councillors taking office after the elections due in 1981. Mr. Smith declared: "This

party has got to get off its backside. We have got to get out and work now. "The rock, the firm founds-

MPs but in its grassroot workers and its councillors." A warning from Lord Wade,

West, that the change in strategy might result in not enough attention being paid to the opportunities which might arise through Parliamentary by-elections, made little impact.

Mr. Smith insisted: "Community politics is not an alternative to party success nationally—it is the forerunner

Mr. David Penhaligon, MP for Truro, scoffed at suggestions that greater priority should be accorded to the formulation of national policies.

Mr. Penhaligon reaffirmed that his main aim remained that of securing basic changes in the system of British politics so that people were listened to and effect given to their views.
"What I want to challenge has ever accused me of being

The new party strategy— embodied in a Young Liberalwhelmingly approved.

that

## Heseltine 'allowing mutilation'. of local government

AN ATTACK on Mr. Michael Heseltine, the Environment Secretary, for "utter social irresponsibility" was launched by Mr. David Alton, MP for Liverpool Edge Hill.

. He claimed that Mr. Heseltine was standing by and doing nothing as local government was: mutilated and as housing, education and social services

"They are undermining local government by withdrawing funds," he declared.

Mr. Alton promised delegates that the Government's Housing Bill on the sale of council houses would be fought "tooth and nail" in the Commons.

He was speaking in a debate on local government autonomy which showed up considerable differences of opinion in the Liberal ranks on the subject of comprehensive education.

The debate ended with the conference decisively rejecting the Government policy of removing He did not advocate pulling authorities to introduce com-them out next week. But he prehensive education schemes. The motion, which welcomed the action of the Government

Freedom

The resolution, moved by Mr. Philip Goldenberg, Parliamentary candidate for Eton and Slough, primarily dealt with the need for maximum freedom of action for local authorities. But, while agreeing with this aim, many delegates objected to the section endorsing the Government action on compre-

Another paragraph, attacking the Government for forcing local authorities to sell council houses, received wide backing

from speakers. Mr. Alton told the conference: "If you trust in the people you can't go far wrong. This is a motion about local democracy. Do not let them take power away from local councils. We must always fight every attempt to take power

away from the people." Mr. Goldenberg insisted that selling council houses or about the desirability of comprehensive education. It was a debate on the Liberal principle that decisions should be taken at the level closest to the people.

There was virtually no decision taken by Government ministries which would not be better and more cheaply taken at the regional, district or purish level. He supported the principle of comprehensive education and so did the party Nevertheless, he thought it

was painful but right of the Government to repeal compulsion on local authorities to go comprehensive.
"We seek a Liberal society and compulsion from the top is anothema to that ideal." Opposing the motion, Mr. Chris Caswell, Parliamentary

candidate for Sutton, said the

Tories were resisting the whole

principle of comprehensive edu-

cation and were playing political

football with educational needs It was, he said, a rather silly resolution.

Committed We must be committed to the principle of equality of opportunity in education. If we abdicate responsibility on a national level to require the introduction of that principle in all our schools then we abdicate responsibility as a great campaigning party."
Mr. David Evans, speaking for

the resolution, said great damage had been done by the rigid, narrow outlook of compulsion on local authorities. At the ment local councils could not even put in traffic lights or zebra crossings without the per-mission of the Ministry of Transport.
Mr. Bernard Wates, a former leputy director of education for

about local autonomy and not about comprehensive education. The issue of education was far too important to leave to local

Westmorland, argued that it

was naive to say the debate was

### Radical change urged on CAP

RENEWED demands were made for a fundmental re-examination of the EEC's Common Agricultural Policy,
Mr. Geraint Howells, MP for Cardigan and the party's spokes-

man on agriculture, warned that unless radical changes were made soon the CAP was likely to disintegrate. What I want to challenge - Emphasising that in 1980 most of all is the slick London-based professional—and no one than film into the EEC than she received from it, he declared: "It cannot go on. We

cannot afford it." A resolution embodying a tion of any government, is local inspired resolution—was over- report by the party's commission on agriculture was approved.

tract published today.
Mr. Giles Radice, MP for Chester-le-Street, argues that in industry the tripartite system should be strengthened by extending planning agreements and introducing an effective system of industrial democracy. which people give their primary

House of Lords European Com-Community Socialism by Giles munities Committee; 1979-80. Radice; Fabian Society; 65p. Stationery Office, 12.

### THE PROPERTY MARKET BY MICHAEL CASSELL

# Second big South Bank inquiry EUROPEAN FERRIES has further along the river and has moved to cut short what was development into another long the river and has been equally reluctant to give been equally reluctant to give another long the river and has been equally reluctant to give been equally reluctant to give another long the river and has been equally reluctant to give another long the river ano

wrangle involving Council in South

The group, which this week reported a £2.68m (£1.87m) first-half surplus for its financial and services division, has suc-winning bid for the site, which and services division, has suc-winning bid for the site, which lined up already for the office cessfully called for a public was being sold by Land Sits as space, one of which even wants inquiry into it own proposals part of a clearance programme the flats as well," he said. for a 235m mixed development of land without planning per-on the South Bank of the mission. Thames beside Vanyhall Bridge.

The group bought the site Mr. Keith Wickenden, chairman of European Ferries, made the

ments or developers, remains London Council but these were

shops and a sports complex.

Mr. Wickenden has no reservations about the attractions of from Land Securities by tender vations about the attractions of ensure our own in for £400,000 in February 1977. a development in an area not miss the point." popularly regarded as a wasteland. "We've got three tenants

objects to the scheme in statement of its case to a higher Thames beside Vauxhall Bridge.

Lambeth, not known for its ston, planning powers for the instance, that the tower is too love of commercial develops site rested with the Greater tall. This sort of criticism is November and Mr. Wickenden ments or developers, remains London Council but these were hard to take when you realise hopes that work on the site embruiled in the Coin Street transferred to Lambeth, which planning inquiry marathon then objected to the plans.

London Council but these were hard to take when you realise hopes that work on the site there is already a similar tower can begin in late spring 1980, if the decision goes his way.

the type of development which the South Bank needs. We shall ensure our own inspector does

The council's attitude towards the plan may have been mellowing but European Ferries has decided the quickest possible route is not by further negotiation but by an outright

Turning his eye back to Docklands. Sir Horace claims that national funding must be available to share the risks and to attract the private sector fund-ing required. Once made avail-able, the local authorities concerned, and any other agencies given responsibility, must have maximum fredom in use of the

Looking for

**Industrial Premises** 

"Next, there must be realism

Slough Estates has bought a 15-acre site in Hendon, north London, from Cadbury Schweppes. The group is to develop 240,000 sq ft of indus-trial warehouse space in units from 4,600 sq ft to 30,000 sq ft. Some will be available from mid-1980. Clive Lewis acted for Slough and Strutt and Parker represented Cadbury Schweppes. It is Slough's first London industrial

• The last floor of 80 Cannon Street—the distinctive City office building with what is described as "an external geodesic lattice steel frame" has been let. Eight floors are let or under offer at rents ranging from £13.30 to nearly £19 a sq ft. Among the tenants of the Trafalgar House build-ing are the Korea First Bank and the National Bank of the Philippines. Hampton and Sons and Debonham Tewson and Chinnoeks are joint letting agents.

• Hambro Life Assurance has agreed to pay £2m for an office development under way in Station Road, New Barnet. The 24,000 sq ft scheme is being carried out by Crouch Developments and has been let to Liberty Life Assurance. Knight Frank and Rutley advised Berkeley Hambro Property, which acts as fund

manager for Hambro.

British Rail Property Board is to build a £450,000 industrial estate on the site of a former coal depot in Vermont Street, Glasgow. The 1.5-acre development is due for completion next May.

# Manchester rents upsurge depends on future of economy

THE LONG-AWAITED upsurge in Manchester office rents hinges on the impact the forthcoming economic recession may have on national and regional

property values and rents.

After four years of struggling with over-capacity and sluggish rents the Manchester market looks potentially stronger than at any time since the last property boom.

The glut of empty offices left from that boom has been brought down to manageable levels and with no major speculative building planned for the city centre a shortage of space seems likely within two years. This would suggest that rents are set to rise sharply—in line with the progress that has been made over the last six months

in other provincial centres, Leeds in particular.
But there are fears that rental growth may be overtaken

by the forthcoming economic Manchester, of all the major

provincial centres, provides perhaps the best example of how sadly awry the property world went in the early 1970s.

Then, with confidence seem-

city centre, compared with an

However, 150,000 to 200,000 sq ft of this remaining city centre up on the levels achieved in space could still go in the remaining few months of this year—judging by a number of deals in the pipeline.

The biggest of these concerns Town and City's massive Arn-dale shop and office complex. where ICL is considering taking 100,000 of the 350,000 sq ft of offices still available—the bulk has been on the market for two

The decision earlier this year by accountants Ernst Whinney to take about 18,000 sq ft in National Westminster's Lowry House development-which had remained largely empty since completion 18 months ago-was regarded as an important tura-ing point for Manchester's office

But rental growth over the past two years has remained sluggish because of the huge backlog of empty space.

ingly limitless, the city and out.

Top rents for the most populying areas embarked on a major lar units of about 5,000 sq ft in the city centre. And rents office building programme—so still average between £3.50 and in Altrincham and Stockport that between 1970 and the begin £3.75 a sq ft—compared with ning of this year 3.4m sq ft of £5 a sq ft recently achieved in new offices was built in Greater Leeds, the most comparable that the street of the comparable that the square foot, are considerably higher than those considerably higher than those in the city centre. And rents for the most population of the considerably higher than those considerably higher than those considerably higher than those in the city centre. And rents for the most population in the city centre. And rents for the most population in the city centre. And rents for the most population in the city centre. And rents for the most population in the city centre. And rents for the city centre. The city centre considerably higher than those cons rival regional centre. Like Man-

> AYLESFORD Warehouse

BEDFORD 58,650-269,600 sq. ft.

11,650 sq. ft. IMMEDIATE OCCUPATION

EASE FOR SALE/TO LET EDMONTON, N.18

There is still 600,000 sq ft of chester, it is ideally situated on new office space available in the major motorway links.

But agents Bernard Thorpe annual average take-up over the see no reason—barring ill past few years of about 300,000 effects from the forthcoming economic recession—why Man-chester rents should not catch

Perhaps the best guide to future rents is the long-term view taken by Manchester City Council, which has agreed to pay £4.95 a square foot for the whole of Heron Corporation's 126,000-square-ft Albert Square development, due for comple-

tion in 1981 Surprisingly, the large sur-plus of offices left after the property crash has proved quicker to clear in some of the outlying towns to the south of the city centre like Stockport, Wilmslow

and Altrinchan This partly reflects their pleasant environment proximity to motorways but also the difficult parking problems in Manchester

The situation has led to an almost absurd situation for a major city: office rents in nearby Wilsmslow, currently at about £4.50 a square foot, are considerably higher than those

for Industry

Andrew Taylor

# Sir Horace's U.S. view of Dockland

SIR HORACE CUTLER, globe and it would be surprising if where the people are," he said, trotting leader of the Greater many of his conclusions do not "Whatever the federal, state

the problem of inner city development, says the problems on are basically the same and the approach to solving them is in the mechanisms used and in financing factics adopted.

London Council, this week help formulate his strategy returned from the U.S. with some new ideas on the development of Docklands.

He says a major difference in the U.S. is the lack of any Sir Horace, on a study tour attempt by government to per-the problem of types etty do lished centres.

"The emphasis is enabling individual states, such as New York, to establish agencies some respects similar. The main and make state taxation arrange-differences, he reckons, lie in ments which will help existing business and industry to stay in nancing factics adopted, town and give seed-bed support Next week Sir Horace will to new and developing industry make his report to the council and employment in the areas

"Whatever the federal, state or city aid made available, its principal purpose is to lever funding out of the private in-vestor by reducing his own

in relation to the value of land and, if generous taxation concessions are not available, peppercorn rents and similar devices must be used readily rather than sparingly."

In an optimistic call for wholehearted co-operation, Sir Horace said: "It is also vital that all the public organisations concerned should week together. concerned should work together positively. Firm control and direction will then need to be in the hands not only of enterprising gepresentatives of the private sector but also of individuals drawn from the local authority field."

# **Bishop Auckland**

**County Durham** 

Wear Valley District Council proposes to appoint a developer to undertake the redevelopment of an important town centre site adjoining the main shopping area.

The scheme is to comprise about 75,000 sq.ft. gross of shopping floorspace including a retail store of about 50,000 sq.ft. gross and car parking.

Developers interested in this proposal are invited to write for further information, to the Council's development consultants.

DRIVERS JONAS

# Reafrew Glafgow For Sale Factory/ Warehouse 207,000 raft on a rite

of II.3 acres

Immediate connection M8 Motorway to Glargow & Airport

Alro available: Office investment let to prime covenant

MATTHEWS GOODMAN & POSTLETHWAITE 01-248 3200 72 UPPER THAMES ST LONDON ECAR BUA

JAMES BARR&SON 213 ST VINCENT STREET GLASGOW G2 5GH Telephone: 041-248 3221

### Freehold **Factory Investment** Aintree-High yielding 285,000 sq ft on 12.5 acre site **PUBLIC COMPANY** tenant

Long FRI lease Rent £154,000 PAX

7 yearly reviews Price £1,350,000

subject to contract Joint sole agents:

CONRAD RITBLAT & CO Minerificate 14 Marchester Calaire London W1 Teles 200850

MATTHEWS GOODMAN & POSTLETHWAITE

01-248 3200 72 UPPERTHAMES ST LONDON ECAR SUA

in East Anglia? East Anglia BuryStEdmunds Telephone for your complimentary copy of our East Anglia **Industrial Property Survey** DRIVERS CATALOGUES CATALOGUES CONTROL DE LA COMPANIO DEL COMPANIO DEL COMPANIO DE LA COMPANIO DEL COMPANIO DEL COMPANIO DEL COMPANIO DE LA COMPANIO DEL CO 18 PALL MALL, LONDON SWIY 5NF TELEPHONE:01-930 9731

Self-contained office building To be Let or Sold Freehold

> Sole Agents DE&JLEVY 01-930 1070

Estate House 130 Jermyn Street London SW1Y 4UL

**PROPERTY** ADVERTISING APPEARS **EVERY FRIDAY** 

FREEHOLD OFFICE INVESTMENT at Beckenham. 6 590 sn. ft. let to large public to at 515 150 p a c. plus substantial recessor in 1981. McGlashan & Co.—Tel. 01-902 3017.

INVESTMENT ANALYST MANAGER with Fund specialising in small companies mainty in United States wishes to share office space with some one in City. 435 2297.

REQUIRES A SITE

INTERNATIONAL COMPANY

TO DEVELOP AN OFFICE BUILDING

25-50,000 SQUARE FEET IN AN AREA BETWEEN

- MAIDENHEAD READING

GUILDFORD HOUNSLOW WEST —

Retained Agents STUDET NEEDS & CO. 48 GEORGE ST., LONDON, W.I 01-935 9503

NDUSTRIAL PROPERTY for sale aportor-mately 60,000 sc. ft. of manny single storey moustral outlings on a aporto-mately 1 are of industral Development Land at Reventions Developer's educated to the new Kirkins Industrial State Apoly Smithon 5 Glembil Umited. Telephone 0422 S3732

La Manga Campo de Goi! Costa Blanca Spain

This magnificient property

all offers will be considered

will be sold at a fraction

of its original cost;

London EC4P 4ET

01-236 1520

III

 ${\mathbb T}{\mathfrak g}_{{\mathbb U} AC1}$ 

grolz of E

high y

OFFICES

11.11 եր։ Մա

• 500 Acres development land

 Luxury Hotel operation

2 Championship. Golf Courses -

• 100,000 sg ft Club House

Debenham Tewson & Chinnocks Chartered Surveyors International Real Estate Consultants Bancroft House Paternoster Square

St Quintin offer a selection of Central City Offices To Let

ADELAIDE

HOUSE E.C.4. Modernised air conditioned suite to let 5,200 sq. ft.

CORNHILL E.C.3.

Prestige air conditioned office floor 3,006 sq. ft.

**NEW BROAD ST.** E.C.2. Refurbished office

to let

6,245 sq. ft.

Will divide

**LONDON WALL** E.C.2.

Ground floor office unit 3,786 sq. ft. Extended rent free

period offered

OLD BROAD ST.

E.C.2. Self contained unit 1,613 sq. ft. Long lease available

IBEX HOUSE E.C.3.

Modernised office units from 278 sq. ft. to 725 sq. ft. Long lease by arrangement

Queen Street Place, Vintry House, London EC4R 1ES. Telex: 8812619. Tel: 01-236 4040

اهكذا من الد من

HORSHAM Modern single storey Factory 9,570 sq. ft. TO LET LONDON, E.3 15,900 sq. ft. LONDON, N.11 New Factory unit-immediate occupation SOUTHALL, Middx 9.000 sq., ft. **SWINDON** Warehouse/Factory 36,000 Eq. ft. TO LET-IMMEDIATE OCCUPATION

King&Co Chartered Surveyors 1 Snow Hill, London, EC1 01-236 3000 Telex 885485 Manchester, Leeds and Brussels



cconon

Buckingham Palace Road. London SW1 An air-conditioned office building of 37,500 sq. ft opposite Victoria Station now offered for letting following a major scheme of modernisation.

A Development by MIE P.C.

Sole Letting Agents iones Lang

# Ournew City office.

and in Mayfair, Kensington, Hyde Park, Little Venice, Chelsea, Notting Hill Gate

Chestertons City office is now at 28 Queen Street,

> Telephone: 01-248 5022. Telex: 8812798.

London EC4R 1BB.

This magnificent period building will provide us with. much-needed expansion space for our departments handling:

City, Holborn and Provincial Office Agency and Development, Commercial and Agricultural Investment Valuation and other Professional work including Landlord & Tenant and Rent Reviews.

11

Gairstow Eves

BARKING ESSEX TO LET Superb Warehouse

APPROX. 12,300 SQ.FT.

LUTTÉRWORTH LEICS. LEASE for SALE Modern Warehouse APPROX. 6,045 SQ.FT.

Apply: Provincial House, 218/226 Bishopsgate, London EC2M 4QD.

Tel: 01-377 0137

FOR SALE

PRIME OFFICE

DEVELOPMENT

SITE FREEHOLD

Nr. Heathrow Airport

All enquiries to:

J. LYONS & CO. LTD

Estates Department,

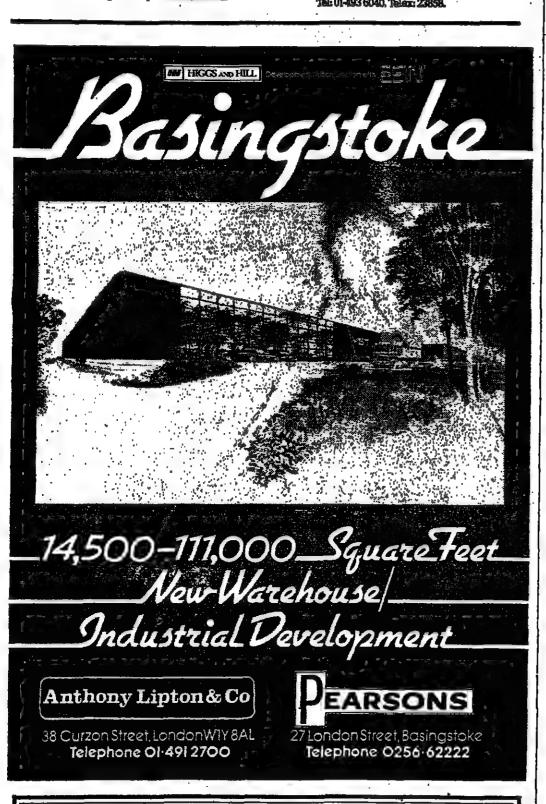
Cadby Hall,

London W14 0PA

Tel: 01-603 2040



Chartered Surveyors For all your property needs



# JIWAUCTION SALE

24th OCTOBER 1979 at 2.30 pm ATQUAGLINO'S, BURYSTREET, STJAMES'S, SW1

36 LOTS of FREEHOLD, SHORT-MEDIUM & LONG LEASEHOLD high yielding and/or Reversionary INVESTMENTS

secured upon SHOPS (Singles, Parades, an Arcade and a Shopping Centre)
OFFICES (with SHOPS under) INDUSTRIALS AND WAREHOUSES

located in CENTRAL and GREATER LONDON, EAST SUSSEX, SURREY, HAMPSHIRE, WILTSHIRE, GWENT, DYFED, BERKSHIRE, HERTFORDSHIRE, BEDFORDSHIRE, WEST MIDLANDS, LEICESTERSHIRE, NOTTINGHAMSHIRE, LINCOLNSHIRE, HUMBERSIDE, SOUTH YORKSHIRE, LANÇASHIRE and TYNE & WEAR

current RENT ROLL about £666,250 PER ANNUM.

details from the AUCTIONEERS.



103 Mount Street, London W1Y 6AS. Tel: 01-493 6040. Telex: 23858.



**Air Conditioned Offices** 

**8,580**sq.ft. **TO LET** 

Private Parking

Recessed Lighting

◆ Spacious Entrance Hall
 ◆ Carpeted

Jones Lang

Strutt & Parker & 01-629 7282

# Warrington

Excellently located, distribution centre adjacent to Junction 11 M62 and close to M56 and M6

# FOR SALE/TO LET

Prestige office and warehouse accommodation 125,000 sq.ft.

The site comprises 14 acres allowing room for expansion



Richard Ellis

York House, York Street, Manchester M60 201

# **Arndale House** Luton

Remaining floor approx.12,900 sq.ft.

TOLET

- Prestige new offices
- Solar glazzed windows Private car park Immediately Available







Hampshire

## INDUSTRIAL SITES

up to 6 acres

adjoining motorway junction

### Fareham, Hampshire

available on leasehold basis for individual companies own developments.

For details ring ALYSON POLLARD (STD Code 0962) 4411 (extn. 441)

B, J. Cosles, F.R.I.C.S.

County Estates Officer

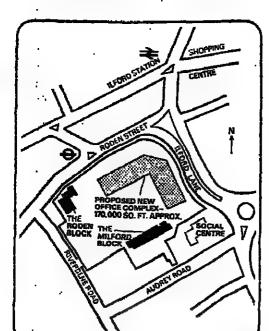
# Hull-Industrial Development Land

Wide choice of fully serviced industrial sites, ½ acre to 20 acres available. Contact: Ian R. Holden, B.Sc. (Econ) M.B.I.M. Director of industrial Development Kingston upon Hull City Council 77 Lowgare, Hull. Tel: (0482) 222626.



12

# A major new Office Development The liford Centre



■ 7 miles from the

- City of London ■ Liverpool St. Station
- approx. 15 mins. ■ Excellent road
- communications ■ Site area 4.5 acres
- Two existing buildings totalling 40,000 sq. ft. net available earlier or separately
- Proposed new development of approx. 170,000 sq. ft. net (subject to consents)

PRESTON

KNIGHTSBRIDGE

HEADQUARTERS

OFFICE BUILDING

3,750 eq. ft. Extremely well appointed period building over bosament, ground and four upper floors. Easy access to public trans-

port. 23 phone lines, 2 televes, internal intercom. Lase expires in Dec. 1983. Single rent review in 1985. Rent £12,000 per annum,

BENTLEY & PARTNERS

01-581 2457

axclusive. Price on application.

13,200 Sq. Ft. to eaves. Extensive parking.

The liford Centre NEW WAREHOUSE/FACTORY TINU TO LET

Period Office Building

6890 SQ.FT. APPROX. Quiet location Central heating in Fully temovated a Car parking

Hugh Murray & Co Richard Ellis

Windsor House, 39 King Street, London EC2

2 refurbished office floors now available

**1.676** and **1.872** sq.ft.

joint sole agents:

MICHAEL
LAURIE & 18/20 Grafton Street.
London W1X 400
PARTNERS Telephone; 01-483 7050

Walker Son & Packman

(Sports warns TEST) (validation this ons inn 3-6 Trump Street London EC2V 800 Tel 01-606 8111

PRIME GROWTH INVESTMENT Short Leasehold Interest Secured on

> Prestige Office Building VICTORIA, S.W.I FIRST-CLASS COVENANT £375,000

VIOSE

5 Tilney Street, Park Lane, London WIY 6iL. Tel. 01-629 9933

NERTFORD Freehold FACTORY with Offices 3,685 sq ft

Heating : Parking Tcl.01:834 8454

**EDWARD SYMMONS** 

TYSELEY-BIRMINGHAM

KINGS ROAD INDUSTRIAL ESTATE

Existing Units 7,000-100,000 square feet available now. RICHARDSON DEVELOPMENTS LTD. 021-544 7111

INTERNATIONAL PROPERTY

FLORIDA REAL ESTATE INVESTMENT FIRM **SEEKS** 

LONDON CORRESPONDENT FIRM

We affer various real existe invertiments in Fields. We need an expression correspondent ten to source UK investors. Our President will be in London one tax on Thursday, October 4. To arrange interview "Migna 15227" (1955) or call (MS) 371-3361, or write Box € 1955, Financial Times, 10, Cannon Street, EC49 489.



75 Grosvenor Street, London, WIX 0JB 01-499 0404

ToLet

Park Street, W1 Excellent Offices and Residential

Accommodation 5,255 Sq.Ft.Offices 2,050 Sq. Ft. Residential Total: 7305 Sq.Ft.

Terms upon application Joint Sole Agents

Bond&Co. 5 Filgrim Street, London FC4 Tel: 01-248 9291

10 The Broadway, Hammersmith, W6

Extremely light modern Offices 12,720 Sq.Ft.approx.on4floors With Carparking for 16 cars Rentonly £6.50 per Sq.Ft. exclusive

Chestertons. Chartered Surveyors. For all your property needs

Johnson Kelly Commercial Chartered Surveyors

IMPORTANT NEW PRESTIGE OFFICE DEVELOPMENT

TO LET

BOLTON

CHURCHGATE

APPROXIMATELY 26,000 Sq. Ft. on 3 Floors

Occupation Available November 1979

15 Silverwell Street, Bolton, BL1 1PP. 0294 384384 Telex: 635574.

1/4 Marble Arch & 1 Gt. Cumberland

J. LYONS & CO. LTD., Estates Department ladby Hall, London W14 0PA Tel: 01-603 2040

> KINGSTON 8.300 sq.ft. Prestige Offices

Overlooking Thames \* Car Parking \* Partitioned Carpeted

COTTON COMMERCIAL Tel: 01-543 1231 Ref: HST

Place, W.1.

HEAD LEASE FOR SALE EXPIRES 2010 WITH SUBSTANTIAL **REVERSION IN 2008** Full details from:

Ara you seeking a tention of extract

ELIZASETH DE LA RUE Gross Pine & Krieger Chaifer

### Simon Houlston **Pariners**

Chartered Surveyors, Commercial & Industrial Estate Agents & Consultants

# LEEDS 60-90,000 SQ FT ACCOMMODATION/SAL

looking for OWNER/OCCUPIERS

● A superbly convenient location right at: the edge of Leeds City Centre - within 5 mins. walking distance.

Adjacent to Leeds Inner Ring Rd & Motorway links to M1/M62 Car Parking for up to 50 vehicles. All the advantages of City Centre location

without the inconvenience. THIS PRESTIGIOUS DEVELOPMENT WOULD SUIT COMPANIES WISHING TO ESTABLISH A MAJOR REGIONAL OFFICE OR H/Q BUILDING ...

Principals of interested Companies or Agents with named clients only please apply to the sole agents for full details.

Oakwood House 637 Roundhay Road · Leeds LS8 4BA Tel: 0532 652431

### LUTON BEDS.

(Close to M1 Junction 11)

SUPERB MODERN WAREHOUSE 55,000 SQ. FT.

inc. OFFICES & SHOWROOMS

- \* Exceptional loading facilities
- Large car parking area
- Ughting and heating throughout 1200 lbs per sq ft floor loading

LEASE FOR SALE

Apply to Sole Agents:



We are in touch with many top British and loreign companies seaking our services to house their executives. We require a

22,000 SQ. FT. Modern Warehouse/Light

FREEHOLD

Industrial Unit RICHMAN CONWAY 01-499 9646

### 58 Coleman Street London EC2

Prestige Self Contained City Office Building 3,870 sq. ft. New Refurbishment TO LET Close to the Bank of England and

the main Financial Centres of the City

Bell-Ingram

HEATHROW AIRPORT PRESTIGE OFFICE BUILDING

TO LET Approx. 7,500 sq. ft.

★ Fully Sound-Insulated ★ Air-Conditioning 50 Car-Parking Spaces 🖈 20 GPO Telephone Lines & Telex AVAILABLE FROM MID-OCTOBER Details from joint sole agents:-

Rogers Chapman

A.C.Frost & Co

The Lodge, Harmonsworth West Drayton, Middx. Tel. 01-759 0966

# **BUILDING LAND**

with planning permission

Tenders are invited for approximately 10 acres of prime freehold residential building land in the Sandhurst area. Clasing date for tenders is 4 p.m., 29th October 1979.

For Tender documents and further details apply: PO. Box 51 Camberley, Surrey, for the attention of Mrs Tolley or telephone Camberley 29870

HADLEIGH, NR. IPSWICH, SUFFOLK PRESTIGE FACTORY & OFFICES 11,464 sq ft factory; 4,166 sq ft Offices; 0.88 acre site

1,75 Acre Development Site Prime site available for immediate development adjacent to the above factory. For Sale Freehold

Colchester (0206) 470418 West Stockwell St

For Sale Freehold

MOORGATE FIRST-PLOOR OFFICES

240 SQ. FT. Excellent decor. Lioo pw all inc. MOVE IN NOW PRESTON & PRESTON 01-373 3321

SHOPS AND **OFFICES** 

FURNISHED OFFICE Central City. & Services. Tel. for details 01-434 1687.

Finding an international office in the U.K.can be a business in itself.



An international office has strict requirements of its own. Of these, convenience and cost effectiveness are perhaps the two most critical. When much of your operation. takes place out of London, often overseas, can you justify the soating prices of London properties?

If you need between 25,000 and 50,000 square feet fitted out to a high standard. which includes air-conditioning and over 160 car parking spaces, we could have the answer

We have compiled a booklet entitled "A Brief Guide for the Harrassed Businessman"

Richard Main & Co., 123/127 Cannon Street London EC4N SAX. Tel: 01-623 6685

Richard Main & Co.

you're concerned about today's high rents. Please phone or complete the coupon and send it to one of the following people.

We hope it will entertain you. You could also

find it surprisingly instructive, especially if

To: Terry Holden, Anthony Lipton & Co., 38 Cmzon Street, London W1Y 8AL or Jim Spencer, Richard Main & Co., 123/127 Cannon Street, London EC4N 5AX. Please send me a copy of "A Brief Guide for the

Harrassed Businessman;

Anthony Lápton & Co.

Anthony Lipton & Co., 36 Cutzon Street, London W1Y 8AL Tel: 01-491 2700

to G

disti

thar

Onc

gud

JU0



# THESE DAYS A FUELSAVINUS AERODYNAMO SHAPE ISACTIUSTSMART, ITSESENTAL.



The design of the new Rovers has already helped to establish them as among the most distinctive and distinguished of cars, regardless of price.

But their shape does a lot more than catch the eye. It's the product of one of the most exhaustive research and testing programmes ever carried out in the car industry.

The result is a range of cars that apart from catching almost anything on the road, also achieves outstanding high speed economy. The table illustrates the cruising mileage obtainable (over 36 mpg in the big 3500),

and with Rover's low drag coefficient, the faster they cruise, the greater their competitive economy.

That's very reassuring in cars of such high performance capability. So next time a Rover catches your eye, you'll know it's much more than a pretty face.

Official Government fuel

Performance figures courtesy of Motor consumption figures ·Top Acceleration Constant Constant 50 mph (90 kph) [75 mph (120 kph) 0-60 mph litres/ litres/ 5-speed Manual 100km 9.1 2300 10.8 secs 31.0 114 36:8 7.7 2600 9.0 secs 118 38.2 7.4 9.4 30.2 3500 8.9 secs | 122 7.9 10.1 36.3 27.9

# The difference is Rover

Complete Government Fuel Consumption Figures, Rover 5-speed manuals: 2300: urban motoring 17.5 mpg (16.1 litres/100km), constant 56 mph (90km/h) 36.8 mpg (7.7 litres/100km), constant 75 mph (120km/h) 31.0 mpg (9.1 litres/100km), 2600: urban motoring 18.5 mpg (15.3 litres/100km), constant 56 mph (90km/h) 38.2 mpg (7.4 litres/100km), constant 75 mph (120km/h) 30.2 mpg (9.4 litres/100km), 3500: urban motoring 16.2 mpg (17.4 litres/100km), constant 56 mph (90km/h) 36.3 mpg (7.9 litres/100km), constant 75 mph (120km/h) 27.9 mpg (10.1 litres/100km). 5-speed gearbox optional on the 2300

# Reject ITV offer, key technicians are told

BY GARETH GRIFFITHS

mittee last night advised its of the union's members will be 6,000 members in independent television to vote against the companies' latest offer.

Mr. Alan Sapper, the union's seneral secretary, said the offer membership to endorse their in no way met the union's stand. demand for a substantial pay increase to offset the erosion of members' living standards in the past five years. The companies' formula for cost-of-living payments meant that members would be worse off in two years when the deal ran out,

given tomorrow when its London Weekend branch meets to consider the offer. Union officials last night expected the

A previous offer, worth 35 per cent, according to the com-panies, was rejected by the Monday by 84 votes to two.

### Results

THE ASSOCIATION of Cine- the two-year offer at about dispute, which has blacked out matograph Television and Allied 374 per cent.

Technicians' negotiating com- Some indication of the mood Mr. Jack Wilson, general screens for seven weeks.
Mr. Jack Wilson, general secretary of the National Association of Theatrical, Television and Kine Employees, has sent out letters to his ITV members outlining the terms of the offer, with no recommendation. He also expects a result by the end of next week and predicted

that if the unions' results were all favourable ITV would be back on the air by October 4. The latest offer is 15 per cent backdated to July 1, with a cost of living allowance (maximum two years when the deal ran out, he said.

The results of the voting 10 per cent in July, 1980 with a further cost of living increase next week. The ITV companies (maximum 6 per cent) in July, 1981. The payments would all be consolidated.

# Union seeks shipyard pledge

SHOP STEWARDS at Robb committee of the Confederation have been sent on to Smith's Coledon, Dundee, said yesterday of Shipbuilding and Engineer Dock, Middlesborough for ending industrial action that has trapped four vessels in the

nunches, Workers have rejected British Shipbuilders' proposal that shipbuilding should end and the yard be put on a careand-maintenance basis with a view to seeking work for the the offshore oil industry.

Three bulk carries for Poland and a New Zealand cement carrier are being held at Dun-

may be reached

HOPE that all outstanding

negotiations which are prevent-

ing republication at Times Newspapers will be completed

by the end of next week was

expressed by Mr. Owen O'Brien,

branches) of Mr. O'Brien's

union are the only groups that have yet to reach agreement

Houes of an agreement in one

areas—with the Sunday Times NATSOUA clerical chapel—

Times peace

'in a week'

By Alan Pike, Labour

Personnel, yesterday.

with the company.

again to put new proposals for keeping the yard open.

Robb Caledon is the only UK to a meeting of all the 1,100 yard still banning overtime and workforce. Mr. Bob Barty, convener, said that a minimum condition would be the reten-tion of shipbuilding at Dundee.

### Stewards' anger

The shop stewards have been angered by the yard manage-ment's decision not to continue with a tender for an film emergency support vessel for BP5s Magnus field. Preliminary Yesterday the negotiating designs, prepared at the yard,

that they will demand an assur- ing Unions met the shop Mr. Barty said that the ance that shipblulding is re- stewards and agreed to stewards would not accept "care thined in the city as the price approach British Shipbuilders and maintenance," which was merely another name for closure. Nor would they dis-cuss a reduction in the size of

the work force. "We do not talk of redundancy here, either voluntary or any other kind. It is dirty a word," he said.

Mr. John Chalmers, chairman the Confederation's ship building committee, told the stewards that to continue their industrial action would weaker their case to keep Robb Cele-don open. But Mr. Ken Baker, confederation president, said no pressure had been put on the shop stewards to lift the action.

proposals to its members.

A ballot earlier this year showed considerable opposition to TUC affiliation.

Reception

warms for

bank staff

By Nick Garnett, Labour Staff

many bank and union officials have felt the most uncompre-

any new structure. It is happy with the recom-

necessary once the new struc-was operating.

A geographie basis is a feature of the organisation Banking, Insurance and Finance Union, which with three bank staff associations

is involved in the talks. It

tends to cut across the principle of demestic autonomy for staff bodies in

actionary for sain bodies in the separate banks, a principle supported by the stall association.

Mr. Bob Carthy, general secretary of the National Westminster association, said proposals involving the

proposals involving the umbreila body's TUC affiliation, included in the

Johnston proposals, would not

necessarily prevent the staff association's executive recom-mending acceptance of those

proposal

tion to TUC affiliation.

The difficulty for the National Westminuter staff association still hinges on domestic autonomy, and Mr. Carthy again emphasised that he wanted separate certificates of independence for the domestic units as well as for the Clearing Bank Union and the umbrella body.

Domestic autonomy has

Domestic autonomy has been one of the principal stumbling blocks, and a prime reason for pessimism by some bank and union efficials about

the talks' outcome.

The staff associations at Barciays and Lloyds, while taking a similar position to that at National Westminster, have been more optimistic.
The three associations and
the Banking, Insurance and
Finance Union are due to re-

### New 17% offer to be put to gas staff

AN IMPROVED pay effer worth 17-18 per cent on the wage bill will be considered by representatives of 45,000 gas imjustry white-collar staff

12 hours of negotiations that ended early yesterday between British Gas and the National and Local Government Officers' Association (NALGO). It comprises 14-15 per cent on rates, which include consolidated productivity payments backdated to July, followed by a further 3 per cent in Laurence.

per cent in January.
NALGO said yesterday that
it was receiving indications of
solid support for a one-day
strike on Monday by its 45 university branches. The strike is part of a programme of action in support of a 24 per cent pay claim. universities have offered 8.9

# Hospital 'sit-ins' planned

general secretary of the National Society of Opreative Printers, Graphical and Media

contemplated and might involve several hospitals throughout the

unions in organising a campaign

night with the St. John's Hospital at Blackheath scheduled for closure by the health com-missioners running the Lambeth, Sothuwark and Lewisham area health authority.

COHSE emphasises that the occupations would be made to protect the public and patients any health authority is contem-plating the closure of a hospital, creased suffering

which is not in the interest of The national executive com-the public and which would mittee decided yesterday to give adversely affect health care in financial support to the camthat area and our members' paign. That accords with the jobs would be at risk, we will union's conference decision in consider occupying that June to reslat "with all its corral other NATSOPA hospital," he said.

Mr. Spanswick, chairman of bers' jobs.

# Another 550 jobs in steel to be cut

TION discussed vesterday that that the cut in spending by the 550 jobs are to be lost in Derby- gas and water industries and Scotswoodd, Newcastle-upon-Type, after a year of union cam-

Newcastle and Tyne and Wear in taking over the factory. They have stipulated that the site unust be used for industry.

at Stanton, near likeston. against the decision.

Stanton and Staveley says

Mr. Don Newton, Midland regional officer of the white-collar union MATSA, said that the unions would fight to pro-tect the interests of their members at the works. Management, staff and manual-grade posts

were being cut.
Altogether 330 manual workers will lose their jobs and 220 management and super-

visory staff will go.

The group said that it expected that much of the proposed reduction in workers might be accomplished through early retirement and voluntary redundancy.

The group's other factories at Staveley, near Chesterfield, Holwell, near Melton Mowbray, and Addiwell in Scotland will not be directly affected by the job losses. Mr. Newton gave a warning.

> public spending cuts will spread throughout the whole of the economy and create further extensive unemployment in future. • The British Steel Corporation also announced plans yesterday to cut 400 of the 2,800 white-

however, that the results of

collar jobs at its Llanwern works in South Wales. The Corporation wants the redundancies to take place by next March and is to open detailed talks with unions shortly. It hopes to achieve the cutback as far as possible by early retirement, redeployment and other voluntary means.

THE STAFF association at the National Westminster in Britain, illustrated below, is Bank said yesterday that the second Johnston report on formation of a staff representation structure for the English clearing hanks appeared more acceptable. up and working at Multistroke Handbrake Controls in Tewkesbury. It is being used, among-other jobs, to weld handbrake levers and, on these, produces tight radius circular welds practhan previous proposals. There were still considerable out-standing obstacles.

The association, which tically impossible to do in quick succession by any other method.

mising on some issues, is particularly pleased with the second report's emphasis on domestic bodies for carrying out certain functions under Johnston, chalrman of the Scottish Manpower Services Committee, that geographic structuring should be instituted only if it was felt-

traditionally been an area with a low degree of sophistication when it comes to mechanised and automatic equipment. Robotic are welding fills the gap

ments are being covered, but in the list, the automotive industry and its sub-contractors lead; their shares being 25 and 20 per cent respectively. However, this is a recent development as this particular industry LATEST OF the 16 robot weld- with jigs and materials handling has reacted more slowly than anticipated. In the last six

On over three-quarters of the

ing rapidly as a major customer, some 60 per cent of users belong to groups with less than 500 amployees, and 23 per cent to companies of less than 100. Smallest of all, in Germany, has only eight staff.

Nevertheless, robot welding is still in its infancy and ESAB and ASEA (which supplies the robots) are working towards optimised equipment that will tackle any job. That there is a vast area to exploit comes from a study made at London University by Mr. P. O. Nordsjo, which

Compared to metals, the

volume resistivity of conductive

concrete is high and can range from 0.50hm-cm or lower, for

and chloride contents are low,

thus permitting it to be used with all conventional types of

cement, proprietary plasters and adhesives.

VENTILATION

heat costs

CEILING fans supplied from

the standard range of Crompton Parkinson, a Hawker Siddeley

company, have enabled audio

equipment manufacturer Neve

Electronics to achieve savings

in heating costs at a factory in

Twelve low-speed, high volume air movement ceiling

single-span roof. Installation of

enabling the total heating requirement to be reduced. As the

air within the building is in

constant motion, there is no dis-

Due to the large roof area the

an uncomfortably high level

during the summer months.

comfort from stale air.

Simple way

## Machining of cams

CAMS AND similar shapes can be produced with high precision by the Castor milling machine now being manufactured in Switzerland by Tornos SA.

This machine will mill parts with diameters up to 430mm and it is especially designed to produce cams for automatic lathes and other types of cam-operated machines.

The machine has two milling spindles assembled on a slide which moves horizontally. It is which moves introducing. At is controlled by a mini-computer which does the necessary geometry and generates impulses for the step motors controlling the spindle motions. Data for the computer is exist. entered manually via a key-board or by means of tape.

As the last problem is on the increase on both private and public buildings, sufferers may welcome a low-price sandblast-ing unit (£215) available from Wickham Industrial Equipment, Norton Road, Stevenage, Herts.

with a 5 metre hose and special trigger controlled injection lance fitted with a variable valve to control the supply of sand.

dry granulated quarry sand or fly ash from power stations, and between 50 kilos to 120 kilos per hour depending on the adjust-ment of the sand control.

### mounted controllers to give the is safemounted controllers to give the required air-flow. Before the fans were installed, the production area required a large heat input from the warm air convectors due to heat loss under the and cheap

Gatehouse Road, Aylesbury, Bucks (0296 81341).

This tool is portable, handheld and air-powered, and drives ambient temperature can rise to a very hard, pin-type fastener for fastening metal to metal, These fans provide an efficient. low cost and virtually silent alternative to full air condition-

ing.

Hawker Siddeley Group, 32

Duke Street, St. James's, gives up to 1,200 in-place fixings an hour.



# to baulk closure moves

vice staff warned yesterday. Mr. Albert Spanswick, the union's general secretary, said the occupations might happen in areas where closures were

"When there is evidence that of the most difficult outstanding

It might start within a fort-

By Our Labour Correspondent

next week. The offer was reached after

shire, as Vickers Group the strength of the pound over-announce a decision to close its seas have contributed to a heavy engineering plant at deterioration in busines. paigning to keep it open, during which 700 posts have

Councils, which contributed £5.000 each to a fund to keep the Vickers plant open, are still trying to interest industrialists

The British Steel cuts affect the Stanton and Staveley group Full-time trade union officers called for a prompt meeting

### APPOINTMENTS

# Board members at Allied Breweries (UK)

Three group executives of T. M. Saeddon, director of fine are Mr. John W. Selley, Mr. Harry Smith, director: Parrow ALLIED BREWERIES have oned the Board of ALLIED and Steel Metals Division, has become a vice-chairman of the Association.

The Mr. Harry Mr. Harry Smith, director: Parrow Norman D. Freethy, Mr. Bax Construction, Hr. Vaughan West, and Steel Metals Division, has become a vice-chairman of the Cyril J. Sauthouse and Mr. Derek tor of Farrow Northern.

Mr. Harry Allen, director: Parrow Norman D. Freethy, Mr. Bax Construction, Hr. Vaughan West, director, while remaining a director of fine are Mr. John W. Selley, Mr. Bax Construction, Hr. Vaughan West, director: Parrow Norman D. Freethy, Mr. Bax Construction, Hr. Vaughan West, director of fine are Mr. John W. Selley, Mr. Bax Construction, Hr. Vaughan West, director, while remaining a director of fine are Mr. John W. Selley, Mr. Bax Construction, Hr. Vaughan West, director, while remaining a director of fine are Mr. John W. Selley, Mr. Bax Construction, Hr. Vaughan West, director, while remaining a director of fine are Mr. John W. Selley, Mr. Bax Construction, Hr. Vaughan West, director, while remaining a director of fine are Mr. John W. Selley, Mr. Bax Construction, Hr. Vaughan West, director of fine are Mr. John W. Selley, Mr. Bax Construction, Hr. Vaughan West, director of fine are Mr. John W. Selley, Mr. Bax Construction, Hr. Vaughan West, director of fine are Mr. John W. Selley, Mr. Bax Construction, Hr. Vaughan West, director of fine are Mr. John W. Selley, Mr. Bax Construction, Hr. Vaughan West, director of fine are Mr. John W. Selley, Mr. Bax Construction, Hr. Vaughan West, director of fine are Mr. John W. Selley, Mr. Bax Construction, Hr. Vaughan West, director of fine are Mr. John W. Selley, Mr. Bax Construction, Hr. Vaughan West, director of fine are Mr. John W. Selley, Mr. Bax Construction, Hr. Vaughan West, director of fine are Mr. John W. Selley, Mr. Bax Construction, Hr. Vaughan West, director of fine are Mr. John W. Selley, Mr. Bax Construct Mr. Harvey Allen, sales director Association. national brands: Mr. Bernard Frost, managing director of Telley Walker; and Mr. Tony Warde-Vorbury. managing director of Joshua Tetley and

The following appointments lead agent and also acting super-have been made to the Board of the company's customer transfer of the company transfer of the company transfer of the company transfer of the customer transfer of the company transfer of the customer transfer o Robert Carr, a director of Granada Group who is to become deputy chairman of the Group on October 1, rejoins the Board on which he served from 1967-70; Mr. Michael Scott, programme controller since 1977, becomes a member of the Board on taking up his position as programme controller Mr. Leslie Young, chairman of J. Bibby and Sons, joins the Board as a non-executive

Mr. Irvin Scott has been apbeing opened at 4 Harley Street. W.1., on October 1.

Mr. Chris Saunders has been cyanamid Company, which he appointed sales director of joined in 1954.
WATTS FLUID FOWER, of Stroud, Gloucestershire.

Mr. Jim Leak, chief executive of HEATHROW FORWARDERS BOND, has resigned from the company to be a consultant in the industry. He is being retained by HFB to further certain special projects.

Mr. John G. Perks has been elected chairman of CONCEN-TRIC in succession to Mr. Denls pointed manager of the new Lon-don branch of the EQUITABLE that position. Mr. Perks con-LIFE ASSURANCE SOCIETY times as chief executive.

Officers elected by the ASSO-

Mr. Stuart Frost has been appointed regional service manager of EMERY AIR FREIGHT responsible for all service in the UK, Ireland and South Africa ant managing director and from Mr. Nick Townsend has become the Board of Town and City Propagation and also acting stores. Mr. George J. Sella has been

> Fludgate have been appointed as directors of BIS SOFTWARE and Mr. Melvin Haskins has become an associate director.

LOVELL CONSTRUCTION Shepherd, deputy general GROUP has made the following manager (investments) are to appointments to Boards of companies in the group from Octo-ber 1. At Lovell Homes Western, Mr. Peter Davis, chairman, Mr. Tony Williams, manag-ing director, Mr. Bob Berry, teching director, Mr. Bob Berry, technical director, Mr. Phil Green,
surveying and finance director,
and Mr. Ken Morgan, sales direcand Mr. Ken Morgan, sales direcassistant general manager (oper-

اعكذا من الدّ عل

appointed marketing director from October 1 at WESTON HYDRAULICS, 2 member of the Butterfield-Harvey Group. He succeeds Mr. P. Siddens, who has

Mr. F. W. Buckley has been appointed chairman of BRITISH TAR PRODUCTS in place of the late Col. P. H. Lloyd.

Mr. Gordon Paterson, deputy general manager (finance) of GUADIAN ROYAL EXCHANGE ASSURANCE and Mr. Norman become general managers on October 1. As from January 1. 1980, Mr. Dennis Brennan, at present assistant general manager (overseas), will be made Mr. Austin Lowe, deputy chairman. Gibbons Brothers, has been elected chairman of the IRON

AND STEEL PLANT CONTRACTORS. ASSOCIATION. Mr. Developments to the committee of the co

ping goods do not appreciate that surface journeys taking a relatively long time are in effect tying up money in stock in motion, and that at some Mr. R. M. Boughton has been value per pound carried, the extra cost of airfreight can be

has been appointed director of B-H Machinery, with particular attention to that company's new product developments and sales.

do they have to be dealt with in the right way and accurately, but the time has to be found to carry out the work.
McDonnell Douglas at one time had identified 150 variables, but over 10 years of work

# Technical News

# Robots are taking the arduous jobs

ing units from ESAB installed units of various types. Success with this installation

underlines the way in which these intelligent robot welders are catching on all round the world. Last year, ESAB de-livered a total of 45 units and this year expects to install 65. The installed or on order book is now over the 120 mark with six believed to be earmarked for the U.S., though the marketing campaign there did not start till about five months ago. There are a number of reasons why the idea is attracting so much more interest, one of which is that welding has

• MATERIALS

tract whereby the Pitch Marketing Company of GR House, 134-138, Borough High Street, London SE1 1LB, a

Simon Engineering subsidiary, is to manufacture and to market

under licence the product

back-up that handling Marconite

engineers of Marconi Communi-

cation Systems, is important in the field of electrical con-ductivity. Used in concrete

construction work, in place of more normal aggregates, it pro-

duces grouts and concretes of

with a wide range of resistivity values. It thus offers the possi-

bility of permanent earthing,

DATA PROCESSING

If the airline finds the system

to be satisfactory, it intends to

use it to help customers make

a decision about use of air freight on the routes it flies.

The service will probably be offered free of charge through

cargo agents.
One of McDonnell Douglas's claims is that companies ship-

more than offset by the reduc-

tion in stock.

The difficulty in arriving at a

conclusion is that many vari-

ables apart from the journey length are involved. Not only

in this field has reduced them

to 44. When these are entered.

a "break even" point can be established in about half an

hour. Having achieved a result for

the data entered, the user can

then determine the sensitivity

of this to alteration of parti-

cular parameters for example

a change in the interest rate for

corrowed money or an increase

in insurance rates.
Clearly, British Caledonian
will be using the system, called

Air Freight Decision Tool (AFDT) as a marketing tool

with a view to increasing its

To the suspicious mind for-

freight turnover.

developed

compressive strength

Freight cost compared

exporting companies are not biased away from surface trans-really able to tell when it port?" MD's cargo market con-becomes cheaper to send their sultant, Eugene Duval, replies

products by air rather than by "that would be questioning the

ing a computer system designed could in fact be employed to by McDonnell Douglas to pro-compare the cost of any two vide the answer after a few methods of freighting and that

minutes of data entry to a there are no air-conscious simple terminal linked to completers in the U.S. over a time. The system, which needs

surface transport, British Cale- integrity of this company. donien is at the moment evaluat- He points out that A

requires.

sharing service.

competing with semi-automatics, on over three-quarters of the there can be a production ininstallations so far, plate thickcrease to about threefold, ness handled is less than 4mm
though figures of as much as a
—the robots used can cope with
six to eight times increase in loads of up to 150 kilos, or up

Custom-built units, by carrying a large number of welding torches, can achieve a very large increase in throughput. But they require a large number of workpieces to pay off.
On the other hand, the robot
welder carries only one torch
and is slower. But it can follow practically eny three-dimensional working path and the runs it will produce economically can be made much shorter sines it will automatically handle

when it comes to mechanised components may be welded in indicates the market potential and automatic equipment, each full cycle. Typically, in Britain alone at 8.000 units, Robotic are welding fills the gap economical production, runs Further information from between expensive custom-built would lie between 1.000 and ESAB at Beechings Way. Gill-machines and more general 6,000 pieces a year, depending ingham. Kent (0634 34455). or partly mechanised equipment on complexity. However, there in Gothenburg, Fack \$40270, That means mixed batches of are a number of users reporting Sweden.

Both these systems lack ver-months, automotive offtake has satility and where the robot is totalled 19 units.

production have been achieved, to 500 kilos and there is a large Where a choice has to be variety of torches and three made between a robot and purpose-built equipment, the matter is more complicated. While automotive is develop-

several welding programmes.

protection from the hazards of static electrical charges, and

micro-wave frequency screening.

generated in its unique proper-ties that it has become neces-

Marconite is a granulated

crete fine aggregates such as

natural sand, permitting elec-trically conductive concretes to

be designed by applying con-

He points out that AFDT could in fact be employed to

to be developed further as a

stand-alone unit, doing away with phone lines.

received in the U.S. where the

complete software package has been sold outright to a number

of large corporations. Products

involved have been motor car

parts, electronic devices, phar-maceuticals, cosmetics, precision

engineering products and gramophone records/tapes.

WOODWORKING

NEW woodworking machine

which performs a series of

machining operations on desk-

drawer fronts, handles recess routing, carries out dowel-hole

drilling (to take drawer sides)

and drawer-base grooving has

just been commissioned by Project Office Furniture, Hamlet

This combines an electronic switching system with a series of pneumatically operated stops. Drawer fronts are fed

by a 22-station hopper to a con-

veyor belt then automatically drilled grooved and routed.

There are two operators-

one to load the hopper and the

other to stack and remove the

finished pieces. As well as replacing four manual opera-

tions, says the company, the machine reduces the possibility

of veneer damage

repeated physical handling.

Drills the

drawers

Green, Haverbill, (0440-5411).

GEOFFREY CHARLISH

The service has been well

The system, which needs in heating costs a about 50k of core store is likely Kelso, Rozburgh.

IN THE belief that many mulating the question "Is it to save

electrically conductive aggre-inert at normal temperatures, gate which replaces normal con- and in particular, the sulphate

Marconite has been available



## **MACHINE TOOLS Drills** three deep holes

WHAT IS claimed to be the first three spindle deep hole drilling machine in the UK, supplied by TI Rockwell has gone into the GEC Generators factory at Larne in Northern Ireland and is expected to give a near threefold increase in productivity for

Worth nearly £1m, the machine is a DIAG-Herman Kolb HTB 11 and at Larne it is used to drill holes up to one metre deep in tube plates for high pressure heaters used in the electricity supply industry. It has one main spindle driven

at 70 kW and two secondary spindles powered at 35 kW, with maximum drilling pressures of 5,000 and 200 kP respectively. Longitudinal movement of the spindle heads is 4,000 mm, vertical travel 3,000 mm and spindle traverse 1,100 mm. Each axis has an individual dc motor which permits rapid traverse rates of up to five metres per

More from TI Rockwell, Welsh Harp, Edgware Road, London NW2 (01-452 0033).

Agreement on conductive concrete

The machine is being merketed in the U.K. by Tornos Bechler Petermann U.K., Newton Works, 51 Bideford Avenue, Perivale, Greenford, Middlesex

### commercially for two years and preformed sections cured under such has been the interest pressure, to 15ohms-cm for pressure, to 15ohms-cm for trowelled floor screeds. PROCESSES Control of water/cement and geregate/cement ratios has **Blasts off** vide the world-wide technical and marketing through a suit-back-up that handling Marconite able agency. Pitch Marketing moisture-free Marconite in 25kg large order, for 30 tonnes to provide a 600 square metres anti-static floor base, has already been received. Industrue-free Marconite in 25kg sacks which have a volume equivalent to 50kg (1cwt) of cament, thus permitting batching to be done by watch. the graffiti stead of volume. The material is chemically

APART FROM its generally accepted use for cleaning con-crete from mixers, removing rust from metal, and cleaning walls, boat halls and similar difficult-to-deal-with surfaces, sand-blasting is now being used to remove graffiti.

This will contain 70 kilos of sand, is mounted on two rubber tyred wheels, and is equipped

The abrasive used is graded the consumption rate varies

### fans have been installed in the main production area of the factory to create a comfortable working environment through-out the year. The speed of the fans can be varied by wall-**Fastening**

ALTERNATIVE TO power actuated tools, welding and selfthe Crompton fans effectively drilling/tapping screws is a reduced the loss by recirculating heated air from roof level down to the working area, difficult-to-fasten substrates, difficult-to-fasten introduced to the UK by BIF British Industrial Fastenings,

> steel to concrete, steel to timber, Said to be five to ten times



### with closure because of public the TUC's health services comspending cuts might be occupied mittee, said that his union had by their staff, the 215,000-strong the support of other NHS Confederation of Health Ser- unions in organi vice Employees, the largest of occupations, union of National Health Ser- It might star

### EDITED BY CHRISTOPHER LORENZ

### THE MANAGEMENT PAGE

TECHNOLOGY FINANCE

BY NICHOLAS LESLIE

# Why NRDC's safety net fails to catch many small inventors

THE NATIONAL Research Development Corporation has been attacked over the last few weeks for failing to tap a sup-posed rich vein of British inventiveness. There are hordes of inventors of low to high technology products, so the argument goes, who are simply not getting the kind of backing that should be expected from the Government's foremost provider of risk and development

This is not a new phenomenon; since its formation 30 years ago the NRDC has been a favourite waipping boy whenever anyone has attempted to explain why, in comparison with other countries, innovation is poorly exploited in the UK.

There seems to be a variety of reasons for such criticism. There is continual confusion over the precise role of the NRDC and its methods of finan-cing. Typical of this is the belief that the NRDC will only finance products protected by patents—theoretically, at least, this is not the case. At the same time there is misunderstanding over what is meant by "new technology, insofar as the NRDC's stated aim is to back inventions based on new tech-

Then there is a lack of appreciation of the way in which inventor's characteristics and attitudes vary, and how to cope with them. Some, certainly, combine good business sense with technical ability, but others have no commercial sense at all, yet will not consider some form of partnership to exploit their idea. The variety of types is infinite. that it attracts a good number
These are all long-standing of applications each year—a factors. In the last three years record 790 inventions from indi-

the question of whether the NRDC is adventurous enough with its investment decisions But as the corporation also has taken on a new aspect in

strengthening of the corpora-tion's financial position. For the first 20 years of its life the corporation incurred losses. Then licensing income, particularly from a particular type of antibiotic, transformed its finances and it moved into overall profit; as it pointed out in its latest annual report, pub lished on Wednesday, without such income it just about breaks even on joint venture and risk

In 1978-79, it earned operating surplus of £10.8m, compared with £8.25m the year before. At the same time, the corporation became self-finance ing after repaying all Govern-ment loans. A £50m Government facility it can draw on is

Such financial strength cannot be guaranteed in the future because patents protecting a major part of the corporation's licensing income will eventually run out. But it has others, such as those on pyrethroid insecti-cides, which are expected to be a financial success

Despite some uncertainties, therefore, it seems reasonable to argue that the current healthy position could be exploited more energetically by making more adventuresome investments (that is, taking greater risks), particularly where this promotes the private inventor.

### Sensitive

The NRDC is sensitive to criticism about its attitude to private inventions, maintaining viduals were submitted for potential funding in 1978-79. admits that a great many fall the light of the considerable into a relatively few categories market place.



of new technology

NRDC advertising is unclear about what it means by " new technology."

-the petrol engine is re-invented ad infinitum - the figure loses some of its signifi-

Notwithstanding this caveat. the private inventor still seems to offer more scope for the NRDC's services. It currently funds only one in a hundred of the private inventions which are submitted to it, compared one in five of those submitted from industry and one in four from universities. To say, as the NRDC does, that this rate compares favourably with those in the U.S. is no real defence. With 30 years of experience Schind it, better ratios than those found abroad abroad should be its target.

Part of the NRDC's problem seems to be that it does not possess the resources to deal readily with other than the more "professional" invantors. those who could be described as inventor/entrepreneurs, People in this category tend to present their objectives much more clearly than the inventor who is more preoccupied with tech-nology than commerce and the

So it is easier for the NRDC what more explicit about what executive to decide whether it means by technology, even if or not to offer finance to it does feel that it is not doing inventor / entrepreneur whether by way of risk finance 2,000 submissions a year. in return for a percentage of As far as patents are

equity in a joint company, two

the most common ways in which NRDC supports projects. One way the NRDC might profitably broaden its capability would be to establish closer links with other sources of finance, both to help generate a better understanding of the private inventor's character-istics and needs and to act as bridge between him and other sources of money when it can-not itself oblige with funds. Some form of extra technical commercial assistance would also help those private inventors who have relatively

projects. Closer links with other financial sources were recommended in the interim Wilson Committee report on financial institutions earlier this year. Some steps do seem to have been taken by the NRDC in this direction, with meetings taking place with City institutions, local businessmen and other

undeveloped but promising

Perhaps the most serious misunderstandings about NRDC relate to technology and patents. In its advertising and publicity the NDRC constantly talks of backing "new technology." To most people this conjures, up the idea of malor advances in such areas as major advances in such areas as electronics or medicine.

In fact, the NRDC maintains, when pressed for clarification, that it would consider invest ing in any area providing some definite advance and measurable benefit is achieved. Thus, evolutionary -advances respect of established products considered to be technology, and certainly not "new' technology would qualify. The corporation able can be exploited both to might attract more good applications for funds if it were some- the public.

too badly in attracting nearly

As far as patents are concerned, one has to take issue with the NRDC. Under the Act which created the corporation there is no requirement for an invention to be patented or patentable to qualify for funding. Yet, except on those occa-sions when it is defending itself from attack, the NRDC tends to give the impression of being rather preoccupied with patents, and particularly so where the private inventor is concerned.

### Costly

In recent years, patents have become increasingly costly. Under new patent laws which have only recently come into force, not only has the expense escalated even more, but it has become much more difficult to qualify for a patent.

Given such a situation, it seems eminently sensible to concentrate more on exploiting an invention as swiftly and as profitably as possible. In other words, instead of wasting time and money finding out whether or not a patent will be granted. use all available resources to get the product right, into produc-tion, and onto the market in order to establish a lead before a competitor tries to exploit the same idea.

Lack of patent protection can admittedly create problems, as the NRDC itself points out. The private inventor in particular, without any production facilities of his own, can risk losing everything when attempts are made to find a manufacturer for his product. Such a danger must be acknowledged, but under changing conditions it can be argued that the time is ripe for a new initiative in this area, so that inventions that are not easily or readily patentthe benefit of the inventor and

# The political dimension of Third World management

BY MOHAMED HAMALUDIN

closer

enterprise managers and to

involve political leaders in the

training process," the workshop

ties of the public sector have

been progressively expanding

in the area and public sector

enterprises are emerging as major instruments of national

policy. It has therefore become

imperative to ensure that they are managed and operated "at

optimum levels of efficiency

the total management process."

Yet, the participants reported, this is not adequately recognised

and targets set for them.

It was found that the activi-

(UNIDO).

THE RISE of the public sector enterprise has been a remarkable feature of the post-colonial development of Third World

been expanding their public sectors in response to popular demands for greater national ownership and control of natural and other resources in the assertion of new-found sovereignty.

In Guyana, the extreme example, there has been a complete nationalisation of the formerly North American-owned bauxite industry and the once British-owned sugar estates apart from the take-over of some smaller companies. The publicly owned sector now accounts for 80 per cent of the national

There are various majority between the political directories which half the control of the public and the publi territories, which help to swell manager. the region's public sector. encourage cation between politicians and

One of the main attendant problems is retaining efficient the context of competition from the still strong private sector and the lure of better pros-pects abroad, but also because of growing political interference in the work of managers.

### Experts made proposals

The Third World began to come to grips with this issue a few years ago, especially within the framework of the Nonaligned Movement. This re-sulted in the establishment of an International Centre for tent managers are available, so

Early this year. Third World and holds a central position in management experts began to make proposals for finding out the state of management in developing countries; and then in developing countries. to upgrade the level of exper-

The plans were made in Ljubljana, and the first meeting recently took place in George-town in the form of a Carib-

The participants reported bean workshop on management development. It was co-spon-sored by the Ljubljana-based also that the brain and skill drain in the area has become centre, the Guyana Management Development and Training Centre, the Latin American that there are low performance prises. They recommend that each territory should initiate studies into these two areas to work out methods of dealing Centre for Development Administration (CLAD), the Caribbean (CARICOM) Secretariat, and the United Nations Industrial with the problems. Development

Two other recommendations are at the heart of the findings Participants from Barbados, First, they have proposed that Grenada, Guyana, Jamaica, St. Kitts-Nevis, and Trinidad and each territory should announce a national training policy, with training to embrace not only Tobago spent a week considering management in the area and produced a series of findmanagerial skill but also "attitudinal and environmental ings and recommendations.
One key finding is that there must be "an atmosphere of understanding" and prepare managers "to handle the management of change." mutual confidence, mutual trust

### Promotion of studies

Second, they have called for the setting up of a special desk in the CARICOM Secretariat to promote management studies, together with reactivation of plans for a Caribbean Manage-Development Service (CMDS).

Other proposals are for worker participation and the "the artificial between distinction managerial class and the worker

The recent workshop was the to enable them to achieve goals first of a series which will last This quality of management is to be a follow-up session this will, however, not be possible September at the Ljubljana unless highly trained compecentre to review the findings of the Georgetown workshop. Public Enterprises, in Ljubljana, training was seen as "of funda-followed by gatherings in the Yugoslavia." training was seen as "of funda-followed by gatherings in the Yugoslavia. Africa, and Asia next February, and more territorial workshops. A final review session will be held in September 1980 at the Ljubljana

# Wagon Industrial Holdings Ltd.

Salient Points from Review by Mr. C. Leslie Smith, O.B.E., Chairman:

exceeding the record figures of the previous year. We are poised for further success and our policies will be directed towards continued expansion both by design and manufacture of new products and acquisitions.

"An acceptable improvement I look to the future of the Group in the Group trading results - with considerable optimism. The results justify recommending an increase in the dividend to 8.72p. per share, making a gross total with tax credit of 12.68p compared with 11.53p last year. We recognise and appreciate the part played by all members of the

Group in producing record results."

Key Figures for the Year 1978/79	1979	1979	
	£000's	8'0003	
Turnover	41,731 (+15%)	36,152	
Profit before Tax	4,217 (+14%)	3,712	
Tax	1,135	785	
Profit attributable to Shareholders	3,082	2,927	
Retained Profit	2,227	2,193	
Earnings per share (after tax)	32.2p	31.2p	
Ratio of Net Profit to Shareholders' Funds	24.7%	24.7%	

Copies of the Report and Accounts may be obtained from The Secretary, Wagon Industrial Holdings Limited, Haldane House, Halesfield, Telford, Salop. TF7 4LN.

### COMPANY NOTICES

GOLD FIELDS GROUP NOTICE RE CLOSING OF REGISTERS OF MEMBERS

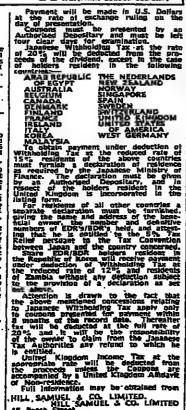
NOTICE IS HEREBY GIVEN that the REGISTERS OF MEMBERS of the

London Office: 39 Moorgate London, IC2R 38Q 27th September, 1979. By Order of the Boards. C. E. WENNER, London Secretary

CANADIAN PACIFIC LUMITED ONTARIO & QUEBEC RAILWAY
COMPANY
5". DEBENTURE STOCK
preparation for the payment of the
recarly interest payable on December 1
. the Debenture Stock Transfer Books
be closed at 3.3.0 pm. on November 3

CANON INC.

ATIONAL CITY BANK. NW VALL STREET,
NW VEGENERALE,
VICTORIS,
NITTORIS,
VICTORIS,
VICTO



ALLIED TRISH BANKS LIMITED US\$30,000,000

Floating Rate Subordinated Notes due 1984

In accordance with the terms and conditions of the Floating Rate Subordinated Notes due 1984, dated 24th March, 1977, the rate of interest for the interest period from 28th September, 1979, to 28th March, 1980, has been fixed at 123, % are appured.

Agent Bank Manufacturers Hanover Limited

### **PUBLIC NOTICES**

of Transp Proposes to

### CLUBS

11-3.30 am Shows at Midnight and 1 am. Mon-Fri. Closed Saturdays. 01-437 6455.

### TRAVEL

### L. M. ERICSSON

Wednesday's article on . M. Ericsson a line was transposed in the sentence: "Edsman

contributions to the cost of retraining —via several programmes . ." It should have grammes . . ." It should have concluded: "including regional ncentives-are only 'marginal'.'

### Management abstracts

These summaries are con-densed from the journals of abstracts published by Anbar Management Publications. Readers wishing to consult original texts should write to: PO Box 23, Wembley, HA9 8DJ.

Games that Managements Play. P. Sykes in Education and Training (UK), Mar. 79: p. 93 and Apr. 79: p. 128 (7 pages, chart, diag.) Describes the backbground to

the development of business games and simulations, classifies them into groups, and defines their characteristics. Examines how instructors should choose games and set up the participant briefing and physical require-ments necessary; explains how a game should be conducted and the results evaluated. Lists claims made for the effectiveness of games and simulations, and outlines their limitations.

Executive Age and Corporate Performance, S. M. Davis in Harvard Business Review (USA), Mar./Apr. 79: p. 6 (2} pages)

Argues, on he basis of a small industrial sample, that there is no connection between the everage age of top management and corporate performance — but contends that mature strategic business units per-formed better when managed by older, more experienced man-agers, while newer, growthoriented units did better under younger managers with current knowledge. From this, outlines a theory of matching managerial maturity to market maturity.

Comparing Growth Oppor-tunities in the International Marketplace. J. A. Weber in Management Review (Fed. Rep. of Germany), No. 1/79: p 47 (10 pages, tables)

Describes how growth plan-ning in geographically diverse markets can be helped by a technique called internation market structure profile analysis, which uses a frame work common to all product lines and all countries; explains how market structure profiles are developed, and can be used to identify reasons why a firm's sales are falling short of potential in some countries, and as a basis for designing growth

### J : ... Frost & Sullivan Ltd. announces:

FINANCE AND ACCOUNTING SEMINAR

FOR NON-FINANCIAL EXECUTIVES LONDON, 10-11 OCTOBER, 1979

Contact: FROST & SULLIVAN LTD., 104-112 Marylebone Lane, London, WIM SFU. Telephone::01-486 \$377 Telex: 261671

# INTERVIEWING STAFF? **VENUE?**



LONDON: 01-5673444 MANCHESTER: 061-969 5151

# A parcels service carries more than your parcels. It also carries your reputation

If your parcels arrive late, your customer will blame you for choosing a bad carrier. He may not say so. He may even sympathise. But underneath he feels cheated.

And he'll secretly think you were stupid to trust that carrier in the first place. And there lies your Big Problem: How do you find a parcels service that still keeps its promises? There is one. Wilkinson Transport. With 16 depots, 600 trucks, 300 trailers and 1600 staff, they're not the biggest. But their thoroughness, thoughtfulness and care makes them arguably the best. They average a

national transit time of between two and three

days; monitor the entire operation by computer; keep

paperwork to the minimum; courtesy to the maximum; are totally professional; and insure every parcel realistically.

They visit every High Street and every industrial estate practically every day. And many top names use them either exclusively or to supplement their own

If you want a fast, reliable and utterly safe parcels service with the sort of personalised treatment you've only heard about, call Wilkinson.

Wilkinson Transport Ltd., Head Office: Ringway House, 45, Bull Street, Birmingham, B4 6UP. Tel: 021-236 9773/Z. Telex: 339165.

Wilkinson Transport

The one that still cares

# **Borrowing on** lenders' terms

BY NICHOLAS COLCHESTER

COULD THE decision of International Business Machines to raise \$1bn through the issue of is always adequately compensional statement of the compension of th fixed-rate bonds herald Gotter- sated for the erosion of the value dammerung in the U.S. cor- of what he is lending. Mean-porate bond market? The news while the borrower merely feeds of this vast financing, when the entire spectrum of U.S. Interest rates is supposed to be at, or duces. close to, its high reminds some German banks have upon British observers of ICL Back occasion succumbed to the desire in 1970 the big British chemical company raised long-term money at the rash-looking rate of almost 11 per cent. Shortly afterwards the corporate bond market in the UK went into a come from which it has yet to

### Floating rates

This may appear a strange reflection at a time when the whole banking world is talking about a "borrower's market" in dollars. But this borrower's market is very much on lenders' terms. Certainly apreads on loans may be coming down and maturities may have got ever longer. But the bulk of today's dollar lending is at floating rates and these small erosions in borrowing terms are of minimal importance when compared with the basic fact that borrowers must increasingly shoulder the interest rate risk themselves. It is becoming steadily harder to find investors ready to commit dollars for 10 years at a rate which a commercial borrower

will accept.

One view is that the floating rate has kept capital flowing at played some part in its decision a time of great uncertainty about future rates of dollar inflation. The investor wants to ment in new plants at the anticipate the worst and get a moment. high yield, while the borrower wants to pay a rate consistent also pinned down \$1.5bn in with a more optimistic scenario. floating rate bank loans, so its If uncertainty is great they main concern may well be to cannot reconcile these two attitudes: so they agree upon can. A senior executive of a commitment to supply long- Manufacturers Handver Trust term funds, but at a floating

way out is too easy and that it desire of U.S. corporations for actually contributes to the problem it purports to solve. It is, for investment in fixed assets. for instance, one of the lesser-known facets of West Germany's tions gone to the bond market? monetary self-discipline that the If the U.S. is headed for an era Bundesbank is rigorously opposed to the emergence of IBM's experience could well
floating rate lending in D-Marks.
The Bundesbank feels that
floating rates of interest are could well grow that the floattantamount to indexation, and ing rate finance for which they

the increasing cost of finance into the price of what he pro-

of international investors to provide D-Marks at a floating rate of interest. They have been sat upon by the Bundesbank for issuing the necessary instruments. The latest publicised infringement was that of the Dresdner Bank. Other German bankers concede that this is a useful discipline. "Make the investor take the risk: and if he is only willing to commit funds short, then so be it," says an executive of the Westdeutsche

Landesbank emphatically.

The inference is that if the soft aption is removed long-term borrowers and lenders will arrive at an acceptable compro-mise for long-term rates, even under uncertain circumstances. Or that if they don't, this will restrain investment plans in a way which will automatically tend to arrest inflation.

### Purist approach

Understandably, at a moment when its first public bonds are still unsold, IBM is not talking about its financing strategy. The purist approach to longterm investment may have to float bonds—the company needs to make a massive invest-

But not so long ago IBM raise money in whatever way it says that the driving force ote of interest.

Others would argue that this state of U.S. loan demand is the long-term floating rate funds

Why haven't these corporatherefore acceptance, of infla- opted was part of the reason tion. In its view floating rates why.



# Urban decay and the pioneer spirit

BY RHYS DAVID

borough.

developer.

declared their own industrial improvement areas. Much of

OPERA & BALLET

THE ROYAL SALLET
OCT. 3 At 7.30
ROMEO & JULIET

SADISR'S WELLS THEATRE, Remeleys Ave., ECI. 537 1572. Until Oct. 6. Evgs. 7.30, Mais. 528. 2.30 PACD PENA'S PLAMENCO COMPANY "A blaze of Spaneb sunshipe," S. News.

THEATRES

ADELPHI THEATRE 01-835 7611
Evenings 7.30. Most, Sat. 4.00.
Lost 2 Days Ends Tomorrow.
JOHN INMAN IN
GLORIOUS FARCE Dally Telegraph.
GHARLEY'S AUNT

Reduced price previous
OCTOBER 19 to 24
Sook Now Adelphil Theather and Agenta
Credit card & party bookings 836,7611

Ton't 7.50. tomor. 2.00 & 7.30 Moss Hart and Comerts.

"The Royal Shakespeare Company has done it again... a knock-out." Gardian. With: LABOUR'S LOST. The versing offers bothing but enchantment." Express (mot ser' 12 Oct. Now big Gorky's CHILDREN OF THE SUN (low price prey from 3 Oct).

RSC also at the Warehouse (see under W)

ROCHDALE

NOT VERY far from the centre of Rochdale the grim mix of housing and industry, characteristic of many such older inner urban areas in the North West of England, is starting to take on a softer appearance.

In the shadow of the tall mills which still dominate the area around Crawford Street new housing has been going up and sites prepared for industry. Elsewhere, factories are getting a coat of paint as well as greatly improved access for trucks and better parking, the pubs are acquiring space for beer gardens, and the once derelict canal bank has been restored with a new towpath

The changes in this 50 hectare area, are all part of an lmaginative approach to inner urban problems adopted by Rochdale, the advantages of which have been outlined in a recent study requested by the Department of the Environ-ment. The aim of the study was to see if the Rochdale experience contained useful lessons for similar decaying

areas One of the most successful achievements of Rochdale's programme, according to the consultants' report, is that it has made possible the provision of

organise or expand production or to improve their on-site facilities. This in itself is expected to generate private sector investment of £700,000, secure 400 jobs, and possibly lead ultimately to the provision of 100 further jobs. The land assembly carried out in the area also means there is room for more firms to move Altogether an additional 4 hectares is being made available and if industrial development

### **Improvements**

Just as important, confidence all round has been boosted by the visible improvements that separation of housing and industry, while industry now to make the transition to other knows that it has a secure sites, and would have closed future in the area. This has down. all been achieved at a cost so far, if land acquisition is

comportance co-existence over improvement pears and the area comprehensive up-grading of became somewhat rundown. housing areas in co-operation became somewhat rundown. Altogether the area sup-

nearly 3 hectares of land to 19 ported around 50 firms, the extended to cover a mixed incompanies already established in majority of them in engineerthe area, enabling them to reing and textiles but including others in food manufacture. vehicles, paper, printing, metal manufacture, and construction. For many of these companies, however-80 per cent of them owned and controlled in Rochdale cheap factory space and access to the surrounding labour force were offset by other disadvantages. Space for expansion was limited and access for vehicles and parking was poor. The residen £1.76m could be spent by incoming firms, creating possibly 500
more new jobs.

\*\*The manufacture instruction of their roads by heavy decline surrounding that

The Crawford Street area might well have seemed a natural candidate for compre-hensive clearance but such a move would have meant the break-up of a settled community or the loss of many of the 3,000 have taken place. Residents are or so jobs in the area. Many benefiting from the greater smaller companies would either have been unwilling or unable

Instead at the initiative of far, if land acquisition is excluded, of under £1m.

For both industry and housing it has been a rather uncomfortable co-existence over the already tried General improvement Area principle with local residents—could be the success of the project has

dustrial and residential area. For the task Rochdale had at its disposal no new powers and firms' requirements and design for funds has been able to call schemes, fitted to their needs only on existing sources of finance, including the various and financial capacities. The Government schemes for aiding cross-party support within the employment and urban renewal, council for the scheme was also The biggest contribution came a major factor. from a special fund Rochdale Experience has inevitably

itself set up, using rate money, shown that some aspects might for promoting environmental improvements throughout the have been ordered differently. Finding an economic way of dealing with the old mills in The individual schemes have the area seems to have preall been relatively limited in sented the most intractable problem. More too could perscope but together they have begun to change the apperance of the area. A plot of open space, Robinson's Common, is haps have been done for companies requiring very cheap accommodation. It is also sugbeing altered in shape and alightly increased in size with gested that the pace of new industrial development might have been more rapid if better side and industrial premises on marketing techniques had been the other. Elsewhere money from the Job Creation Proemployed . . . gramme, together with derelict land grants, has been used to

restore the canal bank and fill in some disused branches to The project is still only half create land for industry. On another site a lease has

completed—the schemes now under way form part of what was originally envisaged as a been taken by a pension fund to develop small factory units five-year programme - so time in association with a private remains for some of these The exercise has important points to be taken up. lessons for other local author-ities, some of which have since

Lost status

stemmed from close collabora- although the position has not tion between the council and yet been clarified it seems likely existing firms. This made it that extra funds which the area possible to identify individual has been able to claim for derelict land clearance will be withdrawn, together with aid under the Local Employment

Other weapons at the aborough's disposal, including the Community Land Act, will also be removed. Rochdale is hoping some of the gaps can be filled through the creation of a new Enterprise Trust. This body, modelled on a similar exercise in St. Helens, will seek to put the resources of the community as a whole behind employmentcreating ventures: Such a development would in fact represent just one more step in the substantial programme of a self-help Rochdale has generated for itself, helping the town to secure an unemployment rate significantly below the North West as a whole.

It is a record which is perhaps not too surprising. The town's independent spirit dates back to the last century when the first Rochdale Pioneers founded the Co-operative movement.

\*Time for Industry. Roch-dale Industrial Improvement A more serious problem for Area Research Project, SO; £13, the borough is posed by the cuts in Government expenditure. Rochdale has lost its inter-Barrett Traffic and Transport status and Associates.

# Tyrnavos to win emphatically

today's Ascot programme is the afternoon. reappearance of Tyrnavos, in In the l the seven-furlong Roberre Trophy Stakes. This colt by Blakeney, out of the Derring Do mare, Stilbi, is balf-brother to Tromos and Tachypous.

There was no mistaking his caster St. Leger meeting. That race was won by Thousandfold,

### RACING

IV DOMINIC WIGAN

colt by Forli, sent over from Ireland by Vincent O'Brien, who scored by three-quarters of a length from Delsaan, a highly youngster from Michael Stoute's Newmarket Tyrnavos was a head stable. away third, and I fully expect

Grimble on Genius, 16.45-16.50

For Wales. 11.06 The Rockford

tion next year (he is by Hot Spark, out of a mare by Kempton three weeks ago.
Granitude, thus bred for sprint Red Rufus, who is in go potential on his first outing in ing on both sides of his pedithe Ribero Stakes at the Don- gree), he was a good winner of Sandown 11 days ago.

I expect him to be too good for Jawad and the consistent Star Flare, though a market move for the unraced Cragador, an American-bred colt whom Harry Wragg trains for Sir Philip Oppenheimer, could be

Millvera, a vastly improved filly, will be bidding for her sixth consecutive win in the Taylor Woodrow Charity Handicap. Though carrying a 71b penalty as a result of her most recent victory, at Doncaster, she

Assembly.

2.00 Racing from Ascot.

4.50 Open University. 6.55 Gardeners' World.

7.30 It's a Dog's Life.

Faye Dunaway.

11.10 Friday Night ... Saturday

Closedown reading.

CHANNEL

transmitting programmes during the present industrial dispute.

Details of this local service are given below.

Channel is the only IBA compa

10.45 Late News on 2.

Morning.

7.20 News.

11.25-12.30 pm Liberal Party

3.00 Liberal Party Assembly including at 3.30 speech by David Steel, MP, Leader of the Liberal Party.

8.15 Tommy Trinder, CBE, in

"The Old Boy Network,"
"Bonnie and Clyde," star-

ring Warren Beatty, and

THE MOST exciting feature of him to win emphatically this is sure to go well again. But I doubt her ability to contain In the Morston Stakes, Ear- Head Huntress, who, after runmark can be expected to give an ning Hardgreen to a neck at improved showing. Although Sandown, divided Connaught unlikely to be a classic proposi-Ranger and Bonnie Isle over one and a quarter miles at

> Red Rufus, who is in good shape, is suggested for the Leverton Handicap. I like the look of Phuvial in the Flamborough Stakes at Redcar.

> > ASCOT 2.15-Swinging Sam 2.45—Dutch Treat 3.15—Head Huntress!\* 3.45—Red Rufus 4.28—Tyrnavos\*\*\* 4.55—Earmark REDCAR 2.30—Path of Peace 3.00—Pluvial\*
> > 4.00—Abbotsbury

# COMPANY

NOTICES

# NOTICE TO HOLDERS OF SKARE WARRANTS TO SEARER

arrender of Coupon No. 88 defached on share warrants to bayer as moler:

(a) at the office of the corporation's continental paying apents—

Credit do Nord.

6-8 Boolevard Massessans,
6-8 Boolevard Massessans,
7-87-87-809.

(b) at the London Bearer Reception College of Charter Controlidated Limited, 40 Hallisons Viladuct.
London ECTP 1AL Unless persons depositing coupons at north office request payment in U.S. dollars (in which case they must comply with any applicable Exchange Control regulations), payment will be made in United Kingdom currency eclory—

(d) in respect of Chingdom Chartery equal to the United Chingdom Chartery experience of the United Chingdom Chartery of the United Chingdom Chartery experience of the United States currency value of their dividend on 30th October, 1979 or;

(d) in respect of coupons longed aring the period 26th October, 1979 to 1979 at the United States currency value of their dividend on Chingdom currency equivalent of the United States currency value of their dividend on 1979 at the United States currency value of their dividend on 1979 at the the Maramber of Chingdom Chingdo

THEATRES COLSTANDA. Credit cards. 240 \$258,
Reservations 836 3161.
Reservations 836 3161.
Tenticlish haritomal OPERA
Tenticlish 7.30: La Travista, Tomor & Tues
7.00: Adie. Wed 7.30: La Cenerentola,
Thurs 7.30: Patience.
104 balcony sents available from 10 am
on day of perf. PORTUNE CC. 01-836 2238. EVI. 8.00. Thurs. 1.00. Saturday: 5.00 and 8.00. AGATHA CHRISTIE'S HUBBLE AT THE VICASIA GARRICK, CC. 01-836 4601. Evt. 8.00, whatpi, Wed. 5.00, Sat. 5.30 and 8.30. GARTH HUNT IN IRA LEVINS:

"BEST THRILER." Daily Telepraph.

"VERY INGENIOUS, VERY FUNNY;
VERY EXCITING." Fin. Times. COYENT GARDEN. CC. 240 1066. (Gardencharee Cradit Cards 356 6903). 1979-80 Trist BOYAL OFFIRS 1979-80 Season commences Oct. 1 et 1, 230 with World Premiere of John

VERY EXCITING." Fin. Times.

GLOBE THEATRE. CC. 01-457. 1827.
Mon. 19 Fri. 8,00. Mats. Wed. 3,00.
Salvidaya 5,00 and 8,30.
ANTON RODGERS.
GEMMA CRAVEN
DIANE LANGTON
ANDREW C. WADSWORTH
DAVID HEALEY IN
SCHEEDOK
MONTY NORMAN and SICAL MAGIC."
A TOUCH OF MISSICAL MAGIC."
AND A FEW GONE 8Y." Fin.
THE STITUNNING OCCASION.
THE SETT BRITISH MUSICAL OF THIS
YEAR AND A FEW GONE 8Y." Fin.
TIMES TO SETT SETTING OCCASION.
THE SETT BRITISH MUSICAL OF THIS
YEAR AND A FEW GONE 8Y." FIN.
TIMES THE SETTING OCCASION.
THE CAST
LIGHT." ESP. SCANDARD. "THE CAST
LIGHT." ESP. SCANDARD. "THE CAST
LIGHT." ESP. SCANDARD. "THE CAST
LIGHT." ESP. NEWS.

GREENWICH THEATRE CC. 01-858 7785 Evenings 8.00, Mat. Sats. 2.50. The PASSING OUT FARADIE by Anne-Valery. Epitertalning contedy. Case 1815 doing well. Ggs. 'Very Runny,' O'Tel HAYMARKET. CC. Wed 250. SEJZ. Evenings 3.00. Wed 250. 51t. 4.30 and 8.00. GERALD KATE HARPER O'MARA

ADELPHI. CC. S. PRODUCTION OF A SUMPTUOUS NEW PRODUCTION OF OPENING OCT. 25 at 7.00, and 7.45; MSL. Thursdays at 1.00. MSL. Thursdays at 1.00. LT ROBERT NEW PRODUCTION BAYLISS and ANNA NEAGLE THE WORLD'S GREATEST MUSICAL NEY FAIR LADY REGUED PICE PREVIOUS THE SHERLOCK HOLMES MYSTERY by Paul Glovanni
"The kind of spectacle I cannot recall since boyhood ... terrific stor." E. News. Credit card & parry bookings 836-7811.

ALBERY, From 8.30 am incl. Suns 235
1878. CC bookings 836-1071-3. Evel7.48. Thurs and Sat. 4.30 am 5.09.
A THOUSAND TIMES WELCOME IS
LINNEL SART'S
OLIVER
"MIRACULOUS MUSICAL"
Filsancial Times.
With GEORGE LAYTON
HELEN SHAPIRO, MARGARET BURTON
Parry rates and student stand-by sysil.
ALDWYCH. CC 836-6404, into 836-8332
ROYAL SHARESPEARE COMPANY in

MINDER, Eve. ATEC.

KING'S HEAD.

DIRRET FIFTY WORDS.

BITS OF LENNY BRUCE
"SHEER REILLIANCE." TIME ONC.
"AN EVENING OF SHEER REVERBERATIVE RICHNESS. LAUGHTER AND
DELIGHT," GOARDIS.
"WITTY PROVOCATIVE SHOW." E.SM.
"A FUNNIER EVENING THAN I COULD
EVER IMAGINE SPENDING WITH
LENNY BRUCE HIMSELF." What's Oh. LYRIC HAMMERSMITH, Q1-741 2311.
Now rebult and restored to its original victorian spiendour. Theatre cheep 18 October, Booking open new for Shaw's comedy YOU NEVER CAN TELL.

LYRIC THEATRE. CC. 01-937 3685.
Opening October 17, 7.30.
Red. price preview CCL 18, 8,00.
RICHARD BRIERS
PAUL EDDINGTON IN.
A NEW COMEDY
MIDDLE AGE SPREAB WHISDLE AGE SPREAD

LYRIC THEATRE S. CT. C1-437 3888.

RYSL 8.00. Math. Wed. and Saft. 3.00.

JESSICA HUME
TANDY
12 the Award-Winning Consedy
THE GIN GAME
Directed by MIKE NICHOLS
"TWO RARE AND SUPREME
PERFORMANCES." Goarden
"EXTREMELY FUNNY, GOARD.
LAST 2 WEEKS. MUST END 6 OCT.

MAYFAIR THEATRE 01-629 3036.
Evenings 8.0 Fri. 6 Sat. 6.0, 8.30.
GEORGE SEWELL
DERMOT WALSH IN
THE HIT THE LIER
WHO KILLED
"The best thinker since 'Sledth,' New
Statesman. The Best Littles Statesman.

NATIONAL THEATRE. CC. 926 2252.

NATIONAL THEATRE. CC. 926 2252.

CLIVIER (open spreet) RICHARD III by Statesman.

LYTIELTON (proscenium stage): Ton't T.A.S. Tonor 1.0 & 7.A.S FOR SERVICES RENDERED by W. Somerset Maugham. COTTESLOE (small suditorium): Last 2 peris. Ton't tomor, at 8.0 Winds by Arthur Kond.

Excellent cheup rews from 10 am day.

928 3052.

OLD VIC. Combany. Repeatoire Season returns. 18th Cartary Comits Opera and The PADLOCK/MISS. IN HER TEEMS.

- Toright 7.30.
Sat. 2.30 & 7.30.
Per further information on the season ring 251 1821.
Next week, English Music Theatre in the world promiser of the first Kubniki Opera.

- An Actor's Revenge. by Mille (Oct. 5, 6. 10, 12). And Mosaff's La Finta Glardiniera (Oct. 9, 11, 13). OPEN SPACE, 367 6983. Tees, to Sun, 8. Barcht's FRIVATE LIFE OF THE THIRD REICH. One of his (Brecht's) most necessary works—chilling, "Guardian. PALACE. CC. MON.-TBUTE. 8.00. Fri. Set. 6.00, 8.40. MON.-TBUTE. 8.00. Fri. Set. 6.00, 8.40. by Tim Rice and Andrew Lloyd-Webber For Farty bookings apply 26N. Office. Group sales Rox Office: 01-379 6061. or Freebhone 2381

PALLADIUM, CC. PRYNNER In Rudgers and Hammerstein's THE KING AND I ASSESSED THE KING AND IN ALSO SERVICE THE KING AND IN ALSO SERVICE TO ALSO PHOEMIX THEATRE CC. 01-836 2294.
EVI 8.00. Wed, 3.00. Sat. 5.00 and 8.30
EUSAN HAMPSHIRE PATRICK MOWER
MIGHT AND DAY
A new play by TOM STOPPARD
Directed by Peter Wood
BEST PLAY OF THE YEAR
Evening Standard Drama Award

PICCADILLY, From 9.00 am Incl. Suns. 437 4505. CC, bookings 836 1071. Evs. 8.00. Thurs, 3 and 8. Sat. 5.30 and 8.30 PETER BARKWORTH HANNAR GONDON IN STAN CLARKS NEW DIEV
CAR YOU WARK ME AT THE EACKY
WONDERFUL PLAY WITH
WOMERFUL PERFORMANCE:
"ARTICULATE AND WITH".
"SUPERBL". ABSORDING PIECE OF
ENTERTAINMENT," THE SUB. PRINCE EDWARD, CC. 01-437 6577.
Evenlogs 8.00. Matc. Thurs. at 3.00.
by Tim Rice and Andrew Lloyd-Webber.
Directed by Harold Prince.

PRINCE OF WALES. CC. 01-330 8581.
Card bookings 930 9845.
LAST PERFS. TOD: A TOMO: 5.0 & 8.45
Michael Denison. Dulcie Gray
ALAN AYCKBOURN'S Snash-hit comedy
BEDROOM FARCE
"If you don't leugh, sue me." D. Exc.
A National Theatre Production. PRINCE OF WALES THEATRE, 930 8681.

S. Credit Card Bookings 930 0845.
Reduced price previews 8, 9, 10 oct. at 8,30 pm. OPENS Oct. 11 at 7,00 pm. An Evening with TOMMY STEELE 3nd hts company Subs., 8vgs., Mon.-Ther. 6,20, Frl. & Sal. 5.00 & 5.30. BOOK NOW! THEATRES

QUEEN'S THEATRE S. CC DT-734 1168.
MON-FN. 8. Wed. MET. 3. SAY 5. 8. S. S.
JULIA MCKENZIE MAUREEN LIPMAN
IN A COMMENT BY RECORD HAVE
"A PERFECT MATCH for the WEST
IND. TRESM, FUNNY S INGENTOUS."
DIV. MAIL. "QUITE SPLENDIO." S. ED.
CTHIS EXCELLENT COMEDY." STANDARD.

EAYMOND DEVISEAD.

EAYMOND DEVISEAD. RAYMOND REVUEBAR, CC. 754 1893, At 7.00, 9.00, 11.00 am. Deen Sura-At 7.40 Auto, 11.00 am. Deen Sura-THE FESTIVAL OF ENOTICA 22nd secsational year. Fully alreconditioned,

ROYAL COURT. 7.10 1745.
Lest Perfs. Ton't. 8.05. Tomar. 8.30.
By: Nicholas Wright
"Fine Inventive Production." F. Times.
ROYAL COURT THEATRE UPSTAIRS.
730 2554. Last Perfs. Ton't. Ton't. Tonic 7.30.
London Premiers of GOGOL by Richard
Crans. "Tour de Norce." Edn. Crane. "Tour de force." Gen.

ROYALTY THEATRE. Portogal Street.

RINGARRAY WCZ. Tel.: 01-405 5004. "Il

Copens Wed. 10th Oct.

half price previews from Syd Oct.

New York's Smash Hit

"For COLOURED GIRLS Who Have
Considered Saicide Whom The Reselvow

Evenings at 8.00 Thears. & Set. 3.00 8.00

Exc. Office Open Now

Creat Card Facilities.

Or Fresphore 2381.

BOUINDMONES. Who 3.381. ROUNDHOUSE. Tol: 01-267 2884. Net. Youth Theatre in MIDSUMMER NIGHT'S DREAM, Last 2 days. Mat today 2-30. Even 7-20.

Shaftesbury Theatre of 836 4288.
From Oct. 1. Eves. 5.00 in reperteire.
4. smath hits of the Edinburgh Fostival
THE COARSE ACTING SHOW 2
THE CAMBRIDGE REVIEW, From Oct. 2.
INSTANT SURSHIME. From Oct. 2.
TIN PAN ALI, From Oct. 2.
STRAND, 0.1.212

TALK OF THE TOWN. CC. 01-734 5091.
AIR CONDITIONING. CREDIT CARDS.
CREDERATING 21 YEARS.
Prom 8.00: Shining and Dencing.
S.30: Bluest Avenue.
At 11: ROLF HARRIS

"This is Ellot's greatest play." D. Tel.
VICTORIA PALACE. CC. 01-828 4735-6.
01-824 1317.
Evez. 7.30. Mats. Wed. and Sat. 2.43.
"UNBEATABLE FAMILY ENTERTAINMENT. Observer."
"Best Musical of the year. 1978." E.Sid.
WARFHOUSE. Dommar Theatre. Covent
Gerden.
Box Office 835 6808.
Royal Shakespeare Company
Ton't. tomor 7.30
Howard Brunton's SORE THROATS
(not softable for children)
"In a vear starved of good plays Howard
Sreahbox's Sore Throats is cartainly an
event." Gen. All seats 22-10. Students
\$1.10. Adv. big. Addwyth.
WHITEHALL CC. 01-930 8892-7765.

WINDMILL CC. 01-437 6312. Twice mightly at 8.00 and 10.00. Sums. 6.00 and 8.00. Paul Raymond presents RIP OFF. The erolic experience of the modern erz. Fourth grast year. Now showing new second edition. Now girls, news acts. new production.

YOUNG YIC. 928 6363. HAMLET and ROZENCRANZ & GUILDENSTERN ARE DEAD in rep. from Oct. 3.

CASSIC 1, 2, 3, Havmarket (Piccadilly Circus Tobe). 01-839 1527. 1: Peter Bogdanowich's SAMY JACK CO Progs.: 1.05, 3.25, 5.50, 8.15, 2: J. R. Tokken's THE LUND OF THE RINGS (A). Props. 12.10, 5.05, 640, 8.20. 8.20, S: George Hamilton LOVE AT FIRST BITE (AA). Progr. 1.25, 3.40, 5.30.

Cinemas are continued on Page 8"

BBC 1 6.40-7.55 am Open University

(Ultra high frequency only). 9.05 and Me. 11.40 For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill at One. 1.45 How Do You Do? 202 For Schools, Colleges. 3.00 Racing from Ascot. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Me and You, Kancaroo, 4.35 Cantain Caveman. 4.50 Crackerjack. 5.35 Noah and

† Indicates programme in in black and white

and South East only).
Phil Silvers as Sergean

Caesar.

the following times:—
Scotland—9.25-9.45 and 11.00-11.20 am For Schools, 5.53-6.20 pm Reporting Scotland. 10.15

Files. 11.55 Weather for Wales. Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Bilko (London and South Today (discussion). 10.45-10.50 Regional, National News. Eugland — 5.55-6.20 pm Look East (Norwich); Look North Body," starring Sid (Leeds, Manchester, Newcastle); Midlands Today (Birmingham): Points West (Bristol): South To-All Regions as BBC-1 except at day (Southampton); Spotlight South West (Plymouth). 10.15-10.45 East (Norwich) Encounter; Midlands (Birmingham) Steam Upen Severn: North (Leeds) Close-up North; North East (Newcastle) Two-to-One; North West (Manchester) Home

5.40 News.

5.55 Nationwide (London and South East only).

6.55 Some Mothers Do 'Ave Em.

7.30 What A Carry On! "Carry On Tom and Jerry.

On Up The Khyber."

Grimble on Genius. 16.45-16.50 Regional, National News.

Wales—1.45-2.00 pm Y Cowboi Bach. 2.02-2.22 I Ysgollon. 5.55-6.20 Wales Today. 6.35 Heddiw.

7.20-7.30 Tom and Jerry. 10.15 Week in Week Out. 11.65 News

10.50 The Late Film: "Busy

F.T. CROSSWORD PUZZLE No. 4,085

1 The answer's conditional when everything's in suspense (2.3.7)

10 One enters list of duties to

make merry (7)
11 Accountant takes secondclass food to passenger of 12 Artist turned round to master to get the flavour (5)

13 Tart reminder of predica-ment in bcd (5,3) 15 Place of loud debauchery patronised by drinkers (3.7) 16 Run of West-end rubbish (4)

18 Aims to send another way 20 One pound note and share 22 Abandon fish for some other

dish (8) 24 Piece put in by party elected 26 So long applause for one-

love finish (7) 27 Nice gal may well be heavenly (7) 28 When grousing starts revo-lution during part of fight

DOWN 2 Diminish result of docker's

work (4.3) 3 Romeo unwilling to go on a river abroad (8)

4 Tuck on West-country river

5 Choose to keep a thief (10)

9.25 Petrocelli. 10.15 Points of View (London

East only). 10.45 Regional, National News.

6 Prize without a ring is heard

7 Point to person intent on

8 After the interval before

14 When work in a bank is

17 Starting to like acquiring 2

19 Mother sits on an annoying

21 During insular rising, artist

23 Elgar variations are great

25 Has old-fashioned bowler

Solution to Puzzle No. 4,084

been given hard lead? (4)

goes and brings in drug (7)

cancelled, there will be cen-

start scoring (5,4,4) 9 Contemptible inferior spy

(7,6)

be (7)

sure (7,3)

taste for (6, 2)

the singles the bird could

Report South: South West (Plymouth) Newswatch; West (Bristol) Public Life. BBC 2

RADIO 1

Ground: South (Southampton)

6.40-7.55 am Open University. 9.15 Liberal Party, Assembly. 11.00 Play School.

given below.

1.20-1.30 pm. Channel Lunchtime News, What's on Where and Weather.

5.00 Puffin's Birthday Greetings. 5.05 Kam Kum. 5.30 Woogbinds. 6.00 Report at Six Extra. 7.00 Wildlife Cinema.

7.25 Code R. 8.29 Feature Film: "Boy in the Plastic Bubbls." 10.00 Channel News Headlines. 10.05 Asian Notabook. 110.30 "The Case of the Mukkinese Battle Horn." 11.00 French News, etc.

Radio Wavelengths

RADIO 4 (s) Styreophonic broadcast ‡ Medium Wave.

5.00 ats As Radio 2. 5.00 Dave Lee Truvis. 8.00 Simon Bates, 11.31 Paul Burnott 2.00 pm Andy Peebles, 4.31 Kid Jensen, 6.31 Roundlable, 8.00 Al Matthews, 9.50 Newsbat, 19.00 RADIO 2

S.00 am Nows Summary. 5.03 Tony Standon (s). 7.32 Tony Wogan (s). 10 03 Jimmy Young (s). 12.15 pm Waggoness Walk. 12.30 Peter Murray's Open House (s). 2.15 David Hemilton (s) including Racing from Ascot. 4.15 Much Mare Music (s). 5.00 News. 5.05 Waggoners' Walk. 5.20 John Dunit (s). 8.45 Sports Desk. 7.02 Quoto . . . unquote (s). 7.30 Fiesta de Cortas (s). 8.02 Romnie Addrich conducts (he BSC Radio Orchestre (s). 8.45 Finday Might is Music Night 9.55 Sports Dosk. 10.02 Seguence Time at the Radio 2 Ballroom. 11.02 Brian Matthew with Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music With Tim Gudgin (s).

RADIO 3

\$6.55 am Weather. 7.00 News. 7.65

Overrure Concert, part 1 (s). 8.00
News. 8.05 Goncert, part 2 9.00 News. 9.05 This week's composes: Rubbra (s): 11.30 Just Belare Mudright. 12.00 News. 10.00 Bach: Goldberg Variations Concert, part 1 (s). 10.40 Interval reading. 10.45 Concert, part 2 11.30 John Tavernor; Mass: 0 Michael (s): 12.15 per Midday Concert, part 1 (s). 100 Michael (s): 12.15 per Midday Concert, part 1 (s). 100 Michael (s): 12.15 per Midday Concert, part 1 (s). 100 Michael (s): 12.15 per Midday Concert, part 1 (s). 100 Michael (s): 12.15 per Midday Concert, part 2 (s). 2.05 Middoy Concert, part 2 (s). 3.35 Karsjen: Worldwide, 2.25 Now and Then (s). 3.15 Saint-Seens (s): 3.35 Karsjen: Worldwide, 2.25 Now and Then (s). 3.15 Saint-Seens (s): 3.35 Karsjen: Worldwide, 2.25 Now and Then (s). 3.15 Saint-Seens (s): 1.30 Middoy Concert, part 2 (s): 1.20 Middoy Concert, RADIO 3 8.00 Lorin Maarel and the Cleveland Orchestra concert, part 1: Brahms (s) 8.40 Words, words, words (s) 9.00 Censert, part 2: Wogner (s) 10." Music Now investigates the problems of commissioning and mounting new works, 10.50 Socred Garden of Delights (s), 11.65-12.00 News.

VHF only—6.00.7.00 am and 5.45-7.10 pm Ogen University,

RADIO 4

6.00 am News Briefing, 6.10 Parming Today, 6.25 Shipping Forecast, 6.30 Today Live from Peking; Thirty years of the Chinese People's Republic, Including 6.45 Preyer for the Day, 7.00, 8.00 Today's News, 7.30, 8.30 News, 8.00 Today's News, 7.30, 8.30 News, 8.00 Today's News, 7.30, 8.30 News, 8.45 Dary of a Somebody, 9.00 News, 9.05 Baker's Dozun, 10.00 News, 10.05 From our own correspondent, 10.30 Daily Service, 10.45 Moming Story, 11.00 Down Your Way at Bristol, Zoc., 11.40 Announcements, 11.45 Listen with Mother, 12.00 News, 11.20 You and Yours, 12.27 My Wordl (s), 12.55 Weather, programme news, 1.00 The World at One, 1.40 The Archers, 1.55 Shipping Forecast, 2.00 News, 2.52 Woman's Hour from Birmingham, 3.00 News, 3.05 Altendoon Theatre (s), 4.00 News, 4.05 Champagne: Survey of a wine (s), 4.35 Story Time, 5.00 PMs. News, 7.05 The Archers, 7.20 Pick of the week (s), 8.10 Profile, 8.30 Any Questions? 9.15 Latter from America, 9.30 Raleidoscope, 9.59 Westher, 10.10 The World Tonight, 10.30 Week Ending (s), 10.55 Sounding off, 11.00 A Book at Bedstine, 11.15 The Financial World Tonight, 11.30 Basil Boathroyd at the Archers Accion, 11.45 Just Bedare Midnight, 12.00 News, As A Bothers at Hearter Auction, 11.45 Just Bedare Midnight, 12.00 News, As A Basking 2 Comments and A Basil Boathroyd at the Archers Accion, 11.45 Just Bedare Midnight, 12.00 News, As A Basil Boathroyd at the Archer Auction, 11.45 Just Bedare Midnight, 12.00 News.

5.80 27th September, 1979. THE CREDIT ASSOCIATION OF PROPRIETORS OF SMALL LANGED EFFATES IN JUTLAND 4% AND 41% SONGS MOTARY PUBLIC has effected the Drawing prescribed in the Articles of Association Faragraph 20 and Supplement of 21/12/34 of openhers at Sonder of Juliand Land Credit Association 4 per cent and 45 per cent which are to be redemend per 2nd January, 1980.

> CITY OF COPENHAGEN EXTERNAL LOAN OF 1965 Bendinklers of the above Loss are advised that the Redembtion due 18th blavember 1979. I.e. U.S.1,000,000 sominal, has been effected by burchese. The balance outstanding after this Redemption is U.S.5,000,000 monital. HAMBROS BANK LIMITED 28th September, 1979

REC also at The Warehouse (see under W)

AMBASSADORS. CC. 01-836 1171.

BYS. 8.00. Fr): and Sat, 5.30 and 8.30.

BYS. 8.00. Fr): AND Sat, 5.30 and 8.30.

BYS. 8.00. Fr): AND Sat, 5.30 and 8.30.

BYS. 8.00 and 8.00 perc, 5.30 and 8.00 perc, 5.30 and 8.30.

BYS. 8.00 and 8.00 perc, 5.30 and 8.30.

BYS. 8.00 and 8.00 perc, 5.30 and 8.00 perc APOLLO THEATRE. CC. 01-437 2863
News. 3.D. Sat S.O. and 8.0 Mer. Th. 3.0
LANDER
LAVER EDMONG
HULLA POSTER III
A VERY FUNNY NEW COMBOY SY
THE AUTHORS OF BOEING BOEING
"RYDEAU LUES CA VA." Gdn.
"IT WILL PROBABLY RUN AND RUN "
Daily Mail

ARTE THEATRE

D1-836 2132 Dally Mail

ARTS THEATRE
TOM STOPPARD'S
TOM STOPPARD'S
"Hilarious DIRTY LINER Sen. Times.
Whomey to Through Sen. Times.
Money to Through Sen. Through
Saturday 7.00 and 9.15
NOW IN 115 FOURTH YEAR
Lewest-priced best seats in Longua
\$4.00, £3.55. £150 plus 15p temp.
members

Commentarioned Best wests in Londons

\$4.00, £3.55. In Direct plants

BOULEVARD TH. at the Raymond Revue
Born Welters Ct. Brower St. CC.

Tel. D1-437 2557

Paul Raymond presents

Queen of America's Sex Films

MARILYN CHAMBERS

Exclusive British Appearance

Plus Banned by the Centon: the Hotbert
look at sexual permissiveness ever!

Twice rightly Mon. Sax. 8 and 10 pm.

CAMBRIDGE. D1-236 6055. CC. 01-235

7040. Mon. 20 Fri. 8.00; Thors. 3 09.

37040. Mon. 20 Fri. 8.00; Thors. 3 09.

THE RITI ERCADWAY MUSICAL

GREAT FAMILY ENTERTAINMENT

CHICAGO

"A TRIUMPRI." Gdn. "A HIT." People.

"THERE HASN'T BEEN A MUSICAL IN

LONDON FOR A LONG TIME THAT

COMES WITHIN A MILE OF IT." FT.

"THE BRIGHTIST, BOUNCIEST

MUSICAL COMESTS." BUTWELLED

"WILL BE DELIGHTING LONDON FOR

A LONG THME." Evening Standard.

"AN UNDOUSTED SUCCESS." D. Tel.

"AN UNDOUSTED SUCCESS." D. Tel.

"WIT AND STYLE." Deliy Express.

"A SUPER EVENING'S

ENTERTAINMENT." Sunday Express.

"THOUSAND WELCOMES. ... IT

WOULD BE A CRIME TD MISS IT.

Dally MITTOR.

Redected prices for partner.

G1-336 6058 and 01-437 3556.

COMEDY THEATER. CC. 01-330 2578.

MON SAT. 9.00. Mats. Fri. 6 Sat. 6.30.

WHE DULY DOTK. "N." FOIL SHOW.

WHE DULY DOTK "N." FOIL SHOW.

COMEDY THEATRE. CC. 01-920 257E. Mod. Sat. 9.00. Mats. Fri. 8 Set. 6.30. THE DNLY ROCK 'N' ROLL SHOW. THE ROCKY HORROR SHOW. CRITERION. From 8.30 am incl. Suns. 530 3216. CC bookings 379 6565. MOS.-Thorz. 8. Frt. and Sat. 5.40 & 8.30. IAN MCKELLAN, TOM BELL "1 DOUBT THAT THERE ARE TWO FINER PERFORMANCES IN LONDON,"

PERFORMANCES IN LONDON PURCH.

BY MEINT SPERMEN.

Directed by Robert Chetwin.

FASCINATING - A WORK OF COMSIDERATING - A WORK OF PASSION, Guardian. PASSION, Guardian.

DUCHESS. 01-836 8243, Mon. to Thora.

PRI. 8.00. Fri. and Sat. 5.50 and 8.15.

OH! CALCUTTA!

The negity is Standing, Daily Mail.

10th INCREDIBLE YEAR.

DRURY LANE CC. 5.01-836 6108. Evos.

8.00. Mats. Wed. 3.00. Sat. 5.45. 8.45.

THE FAMILY SHOW

is "back where it belongs" at

DRURY LANE "Il you beven't seew

CAROL CHANNING

YOU NAVON't seem CAROL CHANNING you haven't seen you haven't seen HELLO DOLLY! D. Mail. also starving Eddic Bracken. Famey and intelligenc." F. Timis, HELLO DOLLY! BAZZING." Dally Mall. PULLO BOLLY!
A EREAM COME TRUE." F. Tom GROUP BOOKINGS 01-714 2201.

SAVOY THEATRE 01-734 4772.
LISSLE PHILLIPS, TERRY SCOTT.
JUNE WHITFIELD, SYLVIA SIMS IN
NOT NOW BARLING
by Ray Cooney and John Chipman
Response price provious from Oct. 31
Mou.-Thurs. 8.00, Frl. and Sat. 5.45 and
8.45. Group bookings 01-437 3856.

TIN PAN ALI, From Oct. 28.

STRAND, 01-838 2560, Eveninus 8.00.
Mat, There 3.00, Sat. 5.30 and 8.30.
LONGEST RUNNING COMEDY IN

NO SEX PLEASE—

WE'RE BRITISH

Directed by WE'RE BRITISH

AVAILABLE 52.50 to 55.50, 51 OFF
TOP PRICE STALLS & DRESS CIRCLE
BEATS booked and paid for 1 month in

sovance (Ex Sat 2nd Pern.

VAUDEVILLE CC. 01-836 9986.
Eva 8. Mat. Wed. 2.48. Set. 5 and 8.20.
EVA PARTY RELIGION
THE FAMILY RELIGION
THE FAMILY RELIGION
THE SHOP MESIC FIGURE TIMES.
" This is Elect greatest play." D. Tel.

WHITEHALL. CC. 01-930 5692-7765, Monday to Thursday 5.00, Fri. and Sat. 6.10 and 8.50.

"It's a fund-stamping polication action-packed African musics." News of World. POUNTH GREAT YEAR. 

ABC 1 & 2 SHAFTESBURY AVE. 838 8861 Sep Perts. ALL SEATS 8KBLE. 5.00, 8.10. Late Show Sat. 11.10. 1: THE IN-LAWS (A). Wk. Sun: 2.00. 5.00, 8.10. 2: PRANTASM (C). Wk. & Som: 2.00. 8.50. 8.30. Late show Sat, 11.16 (Last 6 days). 8.00.

CLASSIC 1, 2, 3, 4, 5, Oxford St., 636
0310 (opp. Tettenham Court Rd. tube).

1: Woody Allen MANMATTAN (AA).

Progs. 12.50, 2.50, 4.50, 6.50, 8.50.
2: QUADROPHENIA (X). Progs. 1.30.
3.45, 8.10, 8.35.
3: Peter Falk The IN-LAWS (A). Progs.

1.05, 3.25, 5.50, 8.10

4: J. R. Tolklen's THE LORD OF THE
RINGS (A). Progs. 1.00, 3.75, 5.50.

8.20, Charloge (A). TO Russia With
ELTON (U). Sep. Berts. 2.00, 5.15, 8.00.

حكذا من الدّ ص

### THE ARTS

Cinema

# A soldier's tale by NIGEL ANDREWS.

Woyzeck (AA) Paris Pullman, Rockers (AA) Screen on the Green, Classic Victoria, Ace Brixton, Ace Upton Park Man of Marble (U) Academy
The In-Laws (A)
Warner West End,

Classic Oxford Street,
ABCs Fulham Road, Bayswater
and Edgware Road

Werner Herzog's Woyzeck gives us Klaus Kinski, the skull-featured German actor who played Herzog's Aguirre and Nosferatu, as the title hero of Georg Büchner's 1836 play-fragment, here adapted for the streen. That three pure cellising screen. That three-way collision of artistic forces should be enough to make you drop everything and rush off to buy tickets. Herzog, Kinski and Büchner are three enfants terribles who in the cathedral of European Art have gouged out eminent niches for themselves, topped by gargoyle-grinning busts, in the chapel of the Romantic-Grotesque.

Büchner's play, a scorching cry of absurdist despair de-livered some 50 years ahead of its time, tells of a German soldier whose bewildered and blockish innocence makes bim the butt of everyone's jokes and explainting entitles in the and exploitative cruelty in the small town where he lives. His wife Marie flirts freely with a handsome officer; his Captain wags a frequent finger at him for "thinking too much." and his Doctor uses him as a human guines-pig, subjecting him to a diet of peas to see how long he can stave off insanity. Woyzeck reacts to them all with a mixture of obedience and unarticulated resentment until the catalytic moment when dis-covery of Marie's infidelity pushes him to murder.

refined as Büchner's own play, bright blocks of tableau-like which he left behind (dying at narrative. The separate scenes

LEGAL NOTICES

Company No. 1055434
Registered in England
THE COMPANIES ACT 1948 TO 1876
ARGMIRIE SHIPPING LIMITED
NOTICE IS HERESY GIVEN, pursuant
to specion 283 of the Companies Act
1948, that a meeting of the creditors
of the above-named company will be

The Conference Hall,

London, E.C.2, on 10th October 1979 at 11.30 s.m. for the purposes membraned in asctions 284 and 295 of the said Act, i.e.:

1. The nemination of a Liquidator;

2. The appointment of a Committee of Inspection.
Dated this 24th day of September 1879.

debts ato proved.
Obtod this 21st day of September, 1979.

By Order of the Board, R. GUESS, Director.

BACON† Danish A.1 per 10n ...

British A.1 per ton ... 1,160 Ulster A.1 per ton ... 1,160

KEITH DAVID GOODMAN,

By Order of the Board, F. C. ARGHIRIS, Managing Director.



by Herzog in slow motion to the

hideous waltz tune—releases

four de force from Herzog the

mystic, but it's a fine testament to the resilient skills and versa-

accompaniment of a slurred and

23) as an unfinished scatter of are marked off almost as fragmented scenes for later severely as in the play—Woy-generations to sort into order. seck Shaves The Captain, Herzog's movie has kept close to the published text, a speculative chronologisation of Marie's Adultery and Klaus Bitchner's scenes, and close Kinski's poker-backed performalso to the theatrical spirit. It must of the film with the arthoxing for another romantic fully metronome tempo. Click-processing for another romantic fully metronome tempo. Click-processing for a second-spirit must be basic like a tow rolding. apocalypse, a seven-veils dance ing his heels like a toy soldier of mysticism from the director and papering over his inner of Fata Morgana, Agairre and agony with an all-purpose grin, Heart of Glass: But it won't Kinski is a spirit in bondage to of Fata Morgana, Aguirre and Heart of Glass: But it won't disappoint Büchner fans, for formality right until the one could hardly imagine a moment when the murder—shot

Shot in a lakeside town in Woyzeck is Neanderman with a thin covering of made back to back with a thin covering of made back to back developed emotions. He is Nosferatu, and both movies show the birth of anarchy in a petit-bourgeois almost as unaltered and un- town), Woyzeck moves along in

better movie rendering of his

masterpiece.

him and at last tears and jags the film's decorous rhythm. The film's air of the theatrical or even of the televisual (static camera set-ups and close and medium shots), is unabashed. But Herzog has clearly decided that Büchner's claustrophobic vision is better served by a close-fisted concentration of affects than by the facile lure of "opening out" the play. Woyzeck may not please those LEONARD CURTIS & CO., altusted at 3/4 Bentinck Street, London WIA 38A.

on Tuesday, the 5th day of Cetober 1979, at 12 o'clock midday for the purposes mentioned in sections: 28 and 285 of the seld Act.

Dated this 21st day of Benssiber hoping for another visionary

tility of Herzog the film-maker. You would be mad to miss Rockers, a gloriously off-beat Jamaican film which confers instant elnematic immortality and Reggae culture. If the world hasn't caught up with you of late, you may not know that Rasta is the name for the current Caribbean movementpart cultural, part religious-

IN THE MATTER OF
TEDOAR LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1948
NOTICE IS HERBY GIVEN that the
creditors of the above-named Company,
which a being volutarily wound up,
are required, on or before the 30th day
of October, 1978, to eard in their full
Chrattan and sumames, their addresses
and descriptions, full particulars of
their debts or claims, and the names
and addresses of their Solicitors (if
any), to the undersigned
KEITH DAVID GOODMAN, FCA
of 3/4 Sentinck Street.
London WIA 38A,
the Liquidator of the said Company,
and, if so required by notice in writing
from the said Liquidator, are, personally
or by their Solicitors, to come in and
prove their debts or claims at such
time and place to a shall be specified in
each notice in in default thereof they

or by their Solicisors, to come is prove their debts or claims at time and place as shall be specificated notice, or in default thereo will be excluded from the bening distribution made before such any distribution made before such are proved.

Dated this 18th day of Septe 1878.

KRITH DAVID BRICHMAN

IN THE MATTER OF
ANGELANTONY LIMITED
AND IN THE MATTER OP
THE COMPANIES ACT 1948
NOTICE IS NEREBY GIVEN that the
creditors of the above-named Company,
which is being volunterily wound us,
are required, on or before the 2nd day
of November, 1978, to send in their full
Christian and summers, their addresses
and descriptions, full particulars of
their debts or claims, and the names
and addresses of their Selfctors (if
any), to the undersigned
KEITH DAVID GOODMAN, FCA,
of 3/4 Sentinck Street,
London W1A 3BA,
the Liquidator of the sold Company,
and, if so required by notice in writing
from the sest Liquidater, are, personelly
or by their Solicitors, to come m and
prove their debts of claims at such
time und place as shall be appecified
in such natice, or in default thereof
they will be excluded from the benefit
of any distribution made before such
debts are proved.
Dated this 21st day of September, KEITH DAVID GOODMAN

THE COMPANIES ACTS 1948 TO 1976

C.C. RECORDS LIMITED

NOTICE 15 HEREBY GIVEN. pursuant
to section 293 of the Companies Act
1949, that a Meaning of the Creditors
of the above-named Company will be
held at the offices of
LEONARD CURTIS & CO.,
situated at 3/4 Bentinck Street,
London WIA 3BA.

On Wednesday, the 10th day of
October, 1979, at 12 o'clock midday
for the purposes manifoned in sections
294 and 295 of the said Act.

Dated this 24th day of September,
1979.

By Cirder of the Beard.

By Order of the Beard. B. S. GATLAND, Director.

THE COMPANIES ACTS 1948 TO 1976
MARGUE CARAGES LIMITED
NOTICE 1S HEREBY GIVEN. pursuant
to section 283 of the Companies Act
1948 that a Mooting of the Creditors
of the above-named Company will be
held at the offices of:

LEONARD CURTIS & CO.,

3-4 Bentnack St.,

London WIA 3BA,
on Tuesday, the 2nd day of October
1979, nt 12 midday, for the purposes
mentioned in sections 294 and 285 of
the said Act. THE COMPANIES ACTS 1948 TO 1976
TALONPORT LIMITED

NOTICE IS HEREBY GIVEN, pursuant
to section 233 of the Companies Act
1948, that a Meeting of the Creditors
of the above-named Company will be
hold at the offices of:
LEONARD CURTIS & CO.
situated at 3/4 Benbnck Street,
London W1A 38A, of October
1978, at 12 o'clock midday, for the
purposes mentioned in sections 234 and
255 of the said Act.
Dated this 19th day of September
1979.

By Order of the Board.

the said Act.

Dated this 18th day of September 1979. R. GUESS. Director.

THE COMPANIES ACTS 1948 TO 1976
MYRA-KNIT.LIMITED

NOTICE IS HEREBY GIVEN, pursuant
ta section 233 of the Companies Act
1948, that a Meeting of the Creducin
of the above-named Company will be
held at the offices of: By Order of the Board. D. V. COLLIN, Director

1.180

1,140 1,140

September 27 Week ago Month ago

1.140

frizzy octopus tentacles and salutes the world with heady doses of Reggae music. Woyzeck is Harangued By The

Rastafarians" also have their very own argot, to help with the deciphering of which this film kindly supplies subtitles. The story of Rockers is a piece of casually run-up neo-realist melodrama about a Reggae drummer who falls foul of the Big Boss at the club where he works and tries to marshal his fellow Rasta-men in a retalliaagainst the forces of "Babylon" (Rasta-language for the corrupt establishment).

But the story hardly matters. The film lilts and breezes along on its recreation of Jamaican street life, spiced with music and with the crazed syntax and vocabulary of the Rasta patois. The constant backing of reggae songs—with their deep bass and sweetly jogging rhythm—turns the routine story into a kind of hip tropical

Writer - director Theodore going through the film, even when the "plot" accelerates to take in lively fight scenes, and he pegs its rhythm chiefly to the lanks, loopy off-handedness of Leroy "Horsemouth". Wallace as the hero. This jaunty-legged scarecrow has the permanent shock from a hangover and his He's a natural star,

Andrzej Wajda's Man of which worships Haile Selasse as through some picturesque ter- a face fixed permanently in a the personification of the rain. This 160-minute Polish shell-shocked rictus of im-Aimighty, wears pigtails like tale of a female film-maker who passivity.

character of a Stalinist worker whose fallen statue she discovers one day in a museum vault, is like an overextended Iron Curtain Citizen Kane. We learn that the said worker was a Stakhanovite in the 1950s—
one of those who set the pace
for industry by personal
example—and that his national
fame as a record-breaking bricklayer (with his team he laid 30,000 bricks in one working session) gave way to a sudden (and scandal-caused?) obscurity hose source our heroine tries

tries to reconstruct the life and

The film effectively dovetails "live" footage, set in both the 50s and the 70s, with black-and-white newsreels viewed by the lady film-maker during her research. The two stories—her own life and that of her subject -are cross-cut, offering some telling correspondances between telling correspondances between Poland then and Poland now. (Notably in the continuance of bureaucracy as a tool for oppression.) But the film has a tendency to state the obvious and then to state it again. "Human epic" epic is written all through—from the resonant title to the daunting running title to the daunting running time—but the content never quite swells to fill the monumental form

Alan Arkin's face is a Custer's Last Stand of emotional stoicism. Attacked by panic on all sides, those deadpan features and intransigently motionless eyebrows are the funniest portrayal of concealed hysteria in modern American cinema. Only Buster Keaton ever had a more immobile face than Arkin, and even Keaton never had to hold at bay quite so many simultaneously assaulting emotions as Arkin in The In-Laws.

He plays a New York dentist whose daughter is about to marry the son of a wealthy but demented-seeming CIA agent (Peter Falk). In the days leading up to the wedding, Arkin is taken into Falk's confidence and finds himself reluctantly caught up in a CIA scheme to deal with an international money-minting plot. Leaving his patients to languish indefi-nitely in the waiting-room, he is whisked off by Falk to Central Balafoukos keeps a steady pulse America to meet a mad dictator going through the film, even (Richard Libertini), to face a firing squad, to be saved, and then to find himself on the possible receiving end forgery charges.

Scripted by Andrew Bergman (who wrote Biazing Saddles), the film has at least twice as look of a man woken with a much verbal wit as the average voice minces even the Rasta fidgety, laryngitic charm finds patois into a cheerfully gabbled its best big-screen role in years, incomprehensibility all his own. But it is Arkin who sticks in the memory. Exploding gnomically across the screen, his cries of fear and bewilderment are Marble is a bit of a plod, albeit all the funnier for issuing from



Rachel Davies, Ron Cook and Julie Waters

Hampstead

# Ecstasy by B. A. Young

Ecstasy is devised and directed by Mike Leigh, the programme says. I understand that the company worked the play out at rehearsals after being

The company have produced some good dialogue in the taperecorder style, and they act nicely enough. But clearly they had no idea how a play should progress. In a short first act, Val (Rachel Davies) breaks into a bedroom where her husband Roy (Ron Cook) is seduc-ing an unwilling Jean (Sheila

Kelley), and fights him so to adultery but is also driving briskly that poor Jean's bed her to drink.

loses two of its legs.

I am frankly tired of plays I am frankly tired of plays

loses two of its legs.

In a second act spanning two hours, Val and Roy are forgotten. Jean is entertaining an old and swear. This is a specially given a theme, and the resultant script was solidified for non-extempore playing.

friend, Len (Jim Broadbent), poor example, for the characters clearly have no life at all off the whom we met briefly in the first stage. There are occasional clearly have no life at all off the stage. There are occasional act, enters with her Irish hus-band Mick (Stephen Rea). The references to their poverty, but they consume endless beer, gin and vodka, and Len has a Cor-tina. Their existences start and four of them settle down to a "session" in which they gossip, sing and drink until they are all asleep and so was I. Mick finish with their entrances and exits, like characters in a bad and Dawn leave, but Len stays, chastely, to console Jean for the farce. This might have mattered sadness of her spinster life, less if they were not so re which has not only driven her lessly rubbed in our faces. less if they were not so relent-

Gracie Fields

Dame Gracle Fields, probably to perform in the theatre named the most popular British enter-after her. tainer of the 1930s and '40s died yesterday in Capri, her home for 30 years. She was 81. "Our Gracie," born over a fish and chip shop in Rochdale, never from tears to laughter in seconds. Her first success was lost the common touch and was in the music hall with her songs regarded as a quintessentially of common life, sometimes English performer, even though humorous, sometimes rather memorial. She married three she rarely visited her homeland maudlin, but she reached a times and is survived by her in recent years. However she wider audience as a film actress husband of 17 years Boris returned to Rochdele a year ago in the 1930s and firmly Alperovici.

after her.

Gracie Fields, real name
Grace Stansfield, had the rare talent of moving an audience comedience she had few rivals and the songs she immortalised, "Sally," "The higgest aspidistra in the world" and "Bless this House," will be a lasting memorial. She married three Coliseum

# Aida by RONALD CRICHTON

Verdi's Aida is so much a part of the operatic landscape that one forgets that as far as major London companies are concerned the work has been Garden's preserve: Covent Wednesday's new production by the English National Opera was the first by that organisation since pre-war Sadler's Wells days. Then a "company" Aide modestly staged and decently sung (one remembers the Amneris of Edith Coates, like a bunch of hot snakes) was acceptable. Today's public has been spoiled by cast after inter-national cast and a succession of recordings not to mention, at least in the most recent Covent production, · lavish Garden staging.

The ENO offers a company performance at least partly on an international level in a staging with nearly as much visual razzle-dazzle as Covent Garden's. The result, Wednesday, was uneven and uneasy. John Copley's produc-tion started well with the action of the early scenes swiftly and smoothly sketched in. But it soon became clear the set by Stefanos Lazaridis (which has some good features like the panels covered with hieroglyphs) was anchored too firmly and too far forward to a central, sloping ramp buddling the action front-stage, in a way (as we know from the Ring) useful for Wagnerian dialogues but oppressive for less intimate occasions such as the Amneria-Radames duet in Aida, and vocally and visually cramping for Verdi's big ensembles.

rather tinselly gilt, predomi-nates. Some are individually handsome, but the lighting, tactlessly pouring down from above, catches the gold on helmets, headdresses, shoulders, even the rims of thrones, obliterating singers' features (only Aida herself, more plainly style overcoming a method of dressed, escapes) and even in one ensemble rendering the not inconspicuous Amneris of is neither a procession nor, as caused problems of intonation.

One or two passing medical and occasionally control and occasionally is neither a procession nor, as caused problems of intonation.

One or two passing medical and occasionally control and occasionally is neither a production. Elizabeth Connell almost invisible. The triumph scene Amsterdam production, a collision between king and priests, but a complicated sequence of tableaux all too vivants. There is some heavy symbolism with a giant god's head (gilded, of course) intact for the triumph, then bashed in for Act 4 and finally lowered to form the voice could, and did, dominate. roof of the lovers' tomb. There are huge buttresses of black masonry almost as heavy-look- the voice was not projecting ing as the same designer's easily, had moments of splendid blocks in the Covent Garden Idomeneo. The handling of these obstacles on the first night was commendably quiet.

The sets affected the sound of the ensembles, bringing out the blare which is the least attractive feature of the Coliseum acoustics, presenting Sir Charles Groves with so far unsolved problems of blending the choral tone in the triumph. where some of the chorus men were too near the front for comfort or balance. Many things, especially in the solo scenes, were handled by Sir Charles in an unobtrusively

# Festival Hall

### Sarbu and Schiff

Harry Blech and his London Mozart Players had two guest soloists on Wednesday, in a rather too generous programme. When I left after Mr. Sarbu's Dvorak Violin Concerto, there was still Mendelssohn to come; and we had begun with sub-stantial Haydn—the Symphony in D, no. 96, in a performance more cheerful than precise. At 29, the Romanian violinist

Eugene Sarbu is a triumphant veteran of many competitions, including the Carl Flesch in London last year. He produces an even, singing tone, and was not tempted to force it during Dvorak's mittel - Europäisch revelries; his fluency in soaring arpeggios is striking, though his intonation is not faultless (there were sour octaves last night). The chief distinction of this performance was his poised restraint in the Adagio, heart felt but not heart-on-sleeve. The Finale began with a promising lilt, but the shifty furiant rhythm needs to be kept taut and unfortunately the rappor between conductor and solois grew ever vaguer as the move-ment progressed: a shambles was avoided, but it was a near thing.

The planist Andras Schiff is already a familiar London visitor, and his exquisite solto voce account of Mozart's F major Concerto, K.459, was what one expected. There was edgy ensemble in his final movement, too, but more quickly cured. Schiff's line was always etched with the utmost delicacy, and his ornaments were impeccably elegant. Once or twice a pianissimo left hand sounded mannered, and a whole countersubject was so tactfully reticent as to be imperceptible. The performance was sweetly persuasive nonetheless, and Blech and his players supplied a lively and sympathetic (if not very close) ompaniment.

DAVID MURRAY



Josephine Barstow

sensitive way that gave pleasure. had arranged variable. In the title-role Josephine

Barstow performed a feat on the scale of her Elisabetta in Don Carlos, her passionate commitment, intelligence and sense of voice production that seemed doomed to lead to tightening, yet did not do so, that sometimes (but not always) obscured the Nile scene were mainly due to inept accompaniment.
Dramatically the portrait—shy, slinking, animal-like yet full of fierce dignity—was, admirable.
Very sensibly, Mr. Copley kept his Aida at the front during the big ensembles so that her varies could sand did demicate.

The Amneris of Elizabeth Connell, though the middle of vocal intensity. During the first three acts Miss Connell's features wore a sweet, secret smile, like an English lady who foreseen.

Other pages were nerveless or marriage for her daughter. In flaccid. The dances had little the last act she was abruptly the last act she was abruptly charm (Arrau's recording of transformed into an Egyptian Liszt's Aida paraphrase for Elektra—more convincing, in In the costumes gold, or pisno shows exactly what was the circumstances. The Radames missing at this performance), of Tom Swift looks tolerably The orchestral playing was martial and his voice has metal as well as ring. His perform-ance is not melting, but there is much to be thankful for. The Amonasro of Neil Howlett provided the most consistently Verdian singing of the evening —another time he will surely leave an ounce or so more in reserve for "Pensa che un ".ologog

Edmund Tracey's new English translation seemed a mixture of happy phrases and others either too stilted or too conversational. When more is audible there may well prove to be greater con-sistency. The off-stage priestess in the temple was unromantically near. The choreography of Terry Gilbert is determinedly anecdotal, falling over back-wards to make the dancing part of the action. With the formal ballet music Verdi writes in act 2 such an attempt is unlikely to succeed. With some adjustment of the visual side this production may still make an adequate framework for the long succession of performances no doubt

group results for the six months to 31 July 1979

The sale of Van Allan and its consequent exclusion from the 1979 results, coupled with other acquisitions and disposals, make comparison with 1978 difficult.

Principal reasons for the reduction in profits are exchange rate movements, higher interest rates and a downturn in trading in July. While prospects in major overseas operations

appear reasonable for the remainder of the year, the final outcome for the Group will be greatly influenced by exchange rates and the buoyancy of the UK retail market in the final quarter. It is unlikely to represent an improvement on 1978/79.

Despite the present profit performance, the Board is confident that the changes which have been made in the composition of the Group, together with others under review, justify continued improvement in dividends.

The Board has declared an increased interim dividend on the Ordinary shares of 1.1p (1978 1.0p), absorbing £1,949,000. The dividend will be paid on 4 January 1980 to shareholders on the register at the close of business on 30 November 1979.

1979	1978
	£'000
190,450	194,371
11,244	11,828
6,417	8,038
4,231	4,852
3,421	4,395
	£'000 190,450 11,244 6,417 4,231

If you would like to know more about us please write for a copy of our current Report and Accounts. Tootal Limited 56 Oxford St Manchester M601HJ

BUTTER CHEESE: 1,450/1,610 English cheddar ..... 1,481.03 — 1,370/1,405 1,340 EGGS\* Home produced: 4.20/4.40 3.20/3.40 4.60/5.00 3.90/4.00 Month ago September 27 Scottish killed sides ex-KKCF ..... 60.0/65.0 62.0/67.0 42.0/44.0 60.0/65.0 Eire forequarters ..... 44.0/46.0 43.0/45.0 LAMB 56.0/60.0 48.0/50.0 52.0/57.0 52.0/56.0 English 52.0/57.0 NZ PLs/PMs 47.0/49.5 47.0/49.5 PORK 36.0/47.0 35.0/44.0 38.0/46.0 All weights ..... POULTRY 40.0/44.0 Oven-ready chickens ... \$8.0/44.0 38.0/44.0 \* London Egg Exchange price per 120 eggs. † 20 kg rindless blocks, delivered, per tonne.

FOOD PRICE MOVEMENTS

# **FINANCIAL TIMES**

BRACKEN HOUSE, CANNON STREET, LONDON ECAP 4BY Telegrams: Finantimo, London PS4, Telex: 886341/2, 883897 Telephone: 01-248 8000

Friday September 28 1979

# No way to save jobs

postal system are failing drive carries advertisements because of acute staff shortages. Calling for desperately needed yesterday the Manpower Services Commission published a report on staff shortages, unlonists are undeterred by the pay, inadequate training facilities and lack of housing. These are all serious impediments to the efficient functioning of the labour market.

But more eloquent testimony on this problem has been pro-vided this week by two indus-trial disputes. On Wednesday passengers at Paddington were held up by a strike called by the National Union of Railwaymen to protest against new working arrangements for 50 men in the parcels office. Yesterday London Transport train drivers rejected a scheme, which had been agreed by their national union officials, to intro-duce one-man operation on underground trains.

### Worse off

The tranedy of these disputes. and dozens of others like them which occur in British industry every day, is that the workers are prepared to protest, obstruct ultimately strike, over ling. The railwaymen nothing. The railwaymen striking at Paddington will not gain a single penny if they win and the management abandons its plans to alter manning. All that will happen is that other parts of Paddington Station, which are currently short of staff, will continue to be undermanned and customers will continue to suffer. If the tube drivers win, they will be sig-nificantly worse off, since they will forgo the £7 a week in honuses that their union has negotiated for them in exchange for allowing one man to do one

the workers "lose" in these disputes, what sacrifices will they be forced to make? No jobs are at risk either at Paddington or in London Transport. All the men from the office dealing with incoming parcels at Paddington will be ransferred either to outgoing parcels or to the passenger service, which is chronically short of staff. They will not even have to move to another location or work more unsocial tion will be introduced gradu- all change, can be as damaging ally, without any redundancies, to the economy as Even if they do not trust the "revolutionary" group.

AT A time when 3.4 per cent management, London Transof the workforce in London is port's employees could hardly nnemployed, the buses, under- be worried about losing their ground, commuter trains and jobs, when every train they

attributing them to poor man-manifest irrationality of some power planning by employers, of the collective actions which their unions force them to undertake. A sort of altruism is, after all, at the heart of trades unionism. The railwayman who refuses to move from one part of the Paddington is office to another may do himself no good, but he may believe that he is thereby leaving a job open for one of London's unemployed.

Perhaps it is more realistic to assume that the underemployed railwayman who refuses to fill a vacancy may believe that the existence of over 10,000 vacancies in British Rail's staff will persuade the management to increase wages. Indeed higher wages are the ultimate solution to the problem of unfilled vacancies. But it is only possible to pay higher wages by increasing revenues. And the way to increase revenues is to improve the service and raise output. British Rail has stated explicitly that its plans for increasing produc-tivity depend solely on raising traffic, rather than on cutting staff. Thus the unions' resistance to more rational working practices actually reduces employment, as well as keeping down real wages and under-mining the standards of service.

### Confusion

When the broader con sequences of unreasonable union actions are explained by governor managers, the unions' altruism suddenly disappears. The truth seems to be that state of confusion about their functions, their methods and their ultimate objectives. Lacking a clear sense of direction. without any faith in their own "alternative economic policies," worried about the "threats" posed by technology, riven by petty organisational squabbles and inter-union disputes, they are left with only one aim—to preserve the status quo wherever they can, irrespective of the costs to their members London Transport's and the country as a whole. A

# **Elections** in **Pakistan**

in the country the military since independence and which regime of President Zia-ul Heq demand a political solution, would thrown out. It is General Zia has been no more evidently a belief that General Zia has been no more successful than the three Zia-shares. His hints on Tuesday that the general election or indeed previous civilian administrations—in finding a might have to be postponed safe demands of the provinces. were based on the hollow and the demands of the provinces too uften heard argument that for more autonomy and the the nation's ideology and claims of the central government integrity could be under threat. for sufficient power to hold the More to the point is that country together. General Zia fears that an elec- He has impotion could result in the return country a fundamentalist inter-to power of the Pakistan pretation of Islam which, even People's Party (PPP) for the though Pakistan was founded as Prople's Party (PPP) for the execution of whose former a Moslem state, many Parastalla execution. In the hold responsible. In the bold responsible. In is widely held responsible. In has brought the army—which further postponing it he risks has traditionally believed that exacerbating the divisions of it has a special role as defender an already unhappy country of the nation's integrity—into and of lighting a torch to a disrepute by the oppressiveness popular movement of street agitation that could eventually overthrow his regime in a wave

schedule elections were to have of upheaval and uncertainty in been held 90 days after he took. Iran, Afghanistan and the Gulf. power in a coup in July 1977. General Zia would like the west But the timetable slipped once to see Pakistan as a friend on it became clear that a Mr. who it can count in such cirtrail would bring to account many in the west who would those in the army who had like to think of Pakistan as such. those in the army who had overthrown him. Neither Mr. Bhutto's trial on a murder charge nor the White Papers that the government published to record his misdeeds in power had the sought for effect of dim-

tion last year earned him a tary nuclear capability. The martyr's crown. The opposition U.S., which otherwise would martyr's crown. The opposition parties who in 1977 welcomed army intervention and the deposing of Mr. Bhutto, have since withdrawn their support

military intervention was that it street.

THERE IS a widespread belief would simply muffle without in Paikstan and abroad that if solving the political problems a free election were now held that have haunted Pakistan

He has imposed on the disrepute by the oppressiveness of its rule.

The prospect of continuing instability in the country is a disturbing one for the west because of Pakistan's obvious Under General Zia's original strategic importance at a time Bhutto back on the campaign cumstances-and there are

General Zia's regime is further distrusted abroad because of its attempt—over which there is little doubt in spite of inishing his popularity.

Not unsurprisingly his execuofficial denials—to gain a mililike to aid Pakistan, has in protest cut off aid.

Other western Governments, whether because of doubts on as General Zia has repeatedly this score or over the regime's put off elections or so manipu- political and economic policies lated the terms on which they are also stalling over the would be held that they could rescheduling of Pakistan's overwould be held that they could no longer conceivably be deemed fair. As a result General Zia's regime has grown increasingly isolated within the country. It is possible that his Zia should realise that military regimes are the impacts. own position is becoming more rule is prolonging the impasse isolated within the army.

From the start the risk of to provoking the power of the

to another few years of rapid inflation, sluggish output and high unemployment and there is little that any government or policymaker can do about it. That is the That is the predominant view among the finance ministers, central bankers, officials and com-mercial bankers, assembling in Belgrade this weekend for next week's joint annual meetings of the International Monetary Fund and the World Bank.
This note of almost oriental

fatalism is coupled with considerable nervousness following the renewed currency crisis of the last few weeks. There are unlikely to be any grand plans or recommendations coming out of the week apart perhaps from a further push forward for the idea of a substitution account to take dollars out of circulation (as discussed in the accompanying article). But this will not inhibit gossip, specula-tion and informal discussion. Indeed, there is likely to be considerable debate both among and between officials and bankers about the best way of dealing with the problems posed by the rise in oil prices and the

approaching recession.

The current widespread pesalmism is in marked contrast to the cautious optimism of a year ago. The hope then was that the industrialised countries might be heading if not for a faster overall growth rate then at least for more evenly balanced expansion with consequently smaller account surpluses and deficits. Some of these hopes have been fulfilled in the sense that the rate of economic growth by the U.S. has slackened and its current account deficit has fallen while the surplus of West Germany has dropped and, in the case of Japan, disappeared

entirely. Yet this limited progress has been overshadowed by a de-terioration in the overall economic outlook. The resurgence of inflation and the beginning of the recession, especially in the U.S., predated the Iranian revolution and the sharp rise in oil prices. How-ever, the increase in energy costs has significantly aggravated these difficulties.

The result is that the overall rate of output growth has started to slacken and the rate of consumer price inflation has accelerated back into double figures in the big industrialised countries. But the gloom should not be exaggerated. This is not a repeat of the mid-1970s. The Bank of England-not a

naturally optimistic commentator—said in its recent quarterly bulletin that the wage/price spiral was unlikely to be as marked as in 1974-75. This is partly because labour markets are now much slacker and partly because governments appear to be taking a tougher stand against inflation. Similarly, the slowdown in out-

price increase in real terms, it has not come in the wake of a strong synchronised economic upturn; nor is there generally a speculative build-up of stocks to be reversed as in the last recession, though the latest U.S.

substantial inventory accumula-

A note of oriental

economic outlook

fatalism about

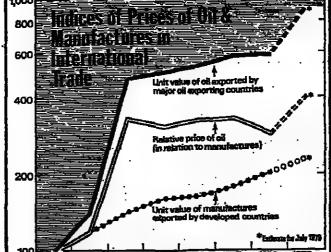
the world

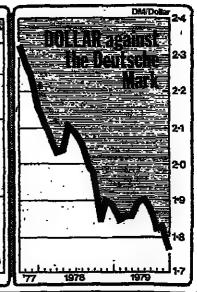
But all this is of scant comfort since it means a continuaknown as stagflation. Commenting on the possible policy response the recent IMF annual report noted that "gradualism as an approach to the reduction of inflation and inflationary gradual—in many countries, to the point of no reduction at all." However, it would appear that governments have in practice no alternative but stick with the established strategy and ... try to make it work more effectively." This "many sided strategy" is seen as involving traditional moneand fiscal instruments with auitable incomes

put may also be less marked policies and increased emphasis than in 1974-75. Apart from on measures to effect structural the smaller size of the latest oil adjustments.

This view has, however, been questioned by the Secretariat of GATT (General Agreement on report on trade prospects. The report argues that the conventional approach tends to immobilise policy-making since it is believed that any economic stimulus would pose the risk of increased inflation while resolute anti-inflation action might increase unemployment, GATT argues that this reflects a mistaken belief that current problems are due to a failure of aggregate demand rather than to problems of supply. Hence the macro-economic policy impasse is due to an analytically ill-founded view of the short-term costs, in terms of lost employment and output, of a more determined anti-inflationary policy.

A less clearcut view is likely to emerge from next, week's discussions. In contrast to the international meetings of the 1975-78 period there are likely to be no recommendations to particular countries to take five years.





ES O	1 00	JUE!	I AC	000.	• •	
(U.S.\$br	<u>)                                    </u>					
1973	1974	1975	1976	1977	1978 -	1979
19	- 4	25	7	4	33	10
1	-14	-15	-14	13	6	-10
6	68	35	40	32	6	- 43
-11	30	38	-26	-21	−31 Sou	−43 rca: IMF
	(U.S.Sbr 1973 19 1 6	(U.S.\$bn)  1973 1974  19 - 4 1 -14 6 68	(U.S.\$bn)  1973 1974 1975  19 - 4 25 1 -14 -15 4 68 35	(U.S.\$bn)  1973 1974 1975 1976  19 - 4 25 7  1 -14 -15 -14  6 68 35 40	(U.S.\$bn)  1973 1974 1975 1976 1977  19 - 4 25 7 4  1 -14 -15 -14 -13  6 68 35 40 32	1973 1974 1975 1976 1977 1978 .  19 -4 25 7 4 33  1 -14 -15 -14 -13 -6  6 68 35 40 32 6  -11 -30 -38 -26 -21 -31

sion is likely to concentrate on rapidly industrialising—such as the problems of the non-oil Brazil and North Korea—are developing countries which may relatively the particularly hard hit by both others, including some smaller the rise in oil prices and the developed countries, are having recession. The problem is not to use an increasing proportion only the expected size of their of their export earnings to pay current account deficit—more debt interest. In recent years current account deficit—more than \$40bn forecast by the IMF for 1979 against \$31bn last year—but also the constraints of the substantial external debts accumulated to finance deficits of more than \$140bn in the past

particular actions—no more. The situation varies enor-"convoys" or "locomotives." mously from country to country. states have more money available to finance the higher deficits of the less developed Instead much of the discus- Some larger ones which are countries. But the re-cycling process is far from perfect and the already large indebtedness well-placed others, including some smaller developed countries, are having of some countries has led to worries about the position of both borrowers and lenders, There has been a good deal of discussion about ways of instilling caution. This has become involved with the these countries have found it easy to borrow abroad and in-deed it is still a borrowers' mardebate about whether there The increase in oil prices has meant that the oil producing

should be closer regulation of international banking. This involves both controversial suggestions about the desirability of controlling the Euromarkets and more widely accepted ideas about closer supervision for prudential purposes. In contrast to the growing

involvement of the banks with the less developed countries, the IMF's role has not been as great as it might have wished.
Most countries prefer to raise
money from the commercial
banks rather than go to the IMF in view of the conditions and close accrutiny of policy involved in any sizeable IMF loan. The result is that the IMF's loan facilities are at present underused and plenty of money is available.

The snag is that many countries only go to the IMF under duress when they are in considerable financial difficulties for example Turkey and Zaire-and major and unpaintable policy changes are required. This has led to lengthy discussions about the need to improve links between the banks, the DMF and borrowing countries. These talks have focused on information but so far little has been achieved because the borrowing countries have been reluctant to allow information collected by the IMF to be shown to commercial banks.

The IMF is certainly trying to extend the scope of its lend-

ing away from solely short term finance for temporary balance of payments difficulties. It is now increasingly lending for longer periods in recognition and smaller industrialised coun tries. But the IMF is likely to

Bar

Ban

# The substitution account gains ground

By JUREK MARTIN, U.S. Editor

THE SUBSTITUTION account is an idea which has been kicked around international financial circles for many years but whose time, it appears, has now come. With the United States now having finally withdrawn its objection to the pian in principle, next week's IMF meeting will authorise a detailed blueprint of the workings of the scheme to be drawn up for formal presentation at next spring's meeting of the IMF's interim committee in Hamburg. Dis-agreements still persist over some of the technicalities but it is thought these can be reconciled during the next six months and a new, enhanced role for the DMF introduced into the international mone-

tary system. lue sonscication accom a simple concept, but complex to execute and with potentially far reaching implica-tions, Under it, countries wishing to diversify their reserve heldings would deposit un-wanted currencies (in effect, the U.S. dollar) and receive, in return, an interest-bearing claim on the IMF denominated n Special Drawing Rights, the IMF's "paper gold" currency

The virtues of the substituessentially depend on how you look at it. For those countries which feel more vulnerable because of large reserve dollar holdings at a time of monetary turmoll, the switch from dollars to an SDR-denominated bond offers greater security; those who believe that the cause of monetary stability would be enhanced by a wider role for the SDR can also take satisfac-

These who oppose the creation of still more international liquidity in an inflationary era can accept the fact that the substitution account—unlike IMF quota increases or special issues of SDRs-does not do this. Its vices are more potential

than actual. There is the role for the dollar the U.S. will feel commensurately less obliged to pursue internationally responsible economic policies. There also remain misgivings about further en-hancing the role of the IMF as international banker. Mr. Anthony Solomon, the U.S. Treasury Under Secretary, remarked last month that it was not presently "politically realistic" for the industrialised world to contemplate ceding national authority over economic policy to an international body. But he added, pointedly, that sooner or later the issue would have to be faced. The IMF could take one

huge step in this direction were the substitution account to be opened to private as well as official holders of foreign currencies. There is a school of thought inside the IMF which, while acknowledging the large risks of such operation, inevitably resulting in closer connections with the commercial banking sector, believes that this bullet is better bitten now than later. But from a political as well as practical standpoint, the account is more likely to have a relatively modest beginning, confined to There are clear dangers in

creating an account that is either too small or too big; if the former, it will make only a negligible contribution to international monetary stability, if the latter-and if fully used by member nations—it could have too revolutionary an impact for the battered, existing system to absorb. Official foreign exchange Official foreign exchange reserve holdings in May stoodper cent are dollar denominated. In the face of these amounts, the U.S. prefers a more cautious approach, with the account initially having a ceiling of only a few billion dollars, but some IMF staff estimates of its destrable size range as high as \$40bn. The U.S. also prefers that participation in the account should be voluntary but that support for it must be "broad

SDRs 231bn (nearly

\$300bn), of which about 80

and genuine," in Mr. Solomon's words, and represent "a lasting move towards the SDR and not one to be reversed if circumstances change." A key element of this—and still to be resolved is the interest rate that the SDR bonds would pay. SDRs themselves currently yield 80 per cent of average Treasury Bills in the ten largest industrial countries, a figure which may have to be raised for the SDR bonds in the substitution account.

Other unresolved lisues include future enlargement of the account, and any rules that may govern subsequent trading by governments of SDR-denominated bonds, both between themselves and, conceivably, to their own national private sectors.

of the medium to long term nature of the current account problems of some less developed play a less central role than some of its supporters would like.

### Hogg prepares for a new leap

Yesterday was one of the two life of Christopher Hogg. He recalls the other with great clarity, although it was almost a quarter of a century ago: "On November 5, 1956, I parachuted down on Port Said during the Suez crisis." Hogg was a national serviceman then; he has now been ap-pointed chief executive of Courtaulds, at the age of 43.

"I hope I'm not risking my life a second time," he says. But to become head of Courtaulds, facing textile import threats at home and daunting export problems, is certainly going to call on every ounce of his resilience. Hogg replaces Sir Arthur Knight, retiring at 62; but it is Lord Kearton, who re-shaped Courtaulds, against whom he is likely to be measured.

Kearton brought him into the group from the Industrial Re-organisation Corporation, where they first met; in the ten years



they'll achieve it sooner than they think."

since then, Hogg's rise in Cour- supplant Trade and Industry in ference to the bewildering mass taulds—current sales £1.6bm a Britain too. of claims and counter-claims year—has been irresistible. On the front cover of the Colleagues regard him as an latest issue is a photograph of outstanding example of a new generation of British industrial which no-one seems to under-

leaders. Although he is a graduate of the Harvard Business School and merchant banking, Hogg also offers some comfort to those who feel themselves educated on the more imprac-tical side of the two cultures. He read English literature at Oxford.

He has also refused to accept his bome near Notting Hill Gate. "Twenty minutes through the back streets gives me some fresh air and exercise. It is quicker and cheaper than the Tube."

### Testing brand

infuse new life into British in-dustry is reflected in the reorientation of a rather stodgy magazine called Trade and Industry (circulation 14,000), official weekly organ of the Departments of Industry and Trade.

Already priding itself on he Already priding itself on being self-supporting, it is distributed quite widely abroad and is now experimenting with a special overseas edition, retitled British Business. It is, at this stage, the mixture as before with a different cover, but a transformation is promised. "We have ben conscious for a long

The Government's attempts to

time that we need to project a brighter image abroad," says managing editor Alan Williams. "We had a lot of requests from colleagues in embassies, especially in Germany and the U.S., for us to say something positive about British industry. We've sent samples overseas. I'm rather surprised you got a copy. HMSO must have muddled up the subscription lists. They're always muddling up the subscription lists." Such hiccups aside, the new look British Business may, if

which no one seems to under-stand but which is said to have gone down well in Geneva—a good omen?

### Prof. provoked

The ins and outs of the jury vetting process may by now have defeated even the most He has also refused to accept assiduous readers, none more the limousine image of big so than economist Professor business. He usually cycles to David Myddleton of Cranfield his Hanover Square office from School of Management. One of the dozens of good men and true called up for service dur-ing the anarchist trial now taking place at the Old Bailey. he was not among the first batch of 12. But, the defence having objected to a large number of these, he found himreplace the rejects. More potential jurors were objected to by the defence. Then, much to Myddleton's astonishment, he became the first juror to be became the first juror to be asked to stand down by the

Still rather bewildered by this, Myddleton—24 hours later—says he feels "a bit insulted" and in any event curious about what could possibly disqualify him. His only clue is that he once wrote a book of laissezfaire tendency called The Power to Destroy. The sub-title: A Study of the British Tax

### War of the air

vision have long distrusted mere A colleague attending a seminar words, so it is natural that Jack this week was gazing in some O'Connor, national television perplexity at a wall chart organiser for the Association of setting out one of the contact that Jack this week was gazing in some perplexity at a wall chart chart setting out one of the contact that Jack this week was gazing in some perplexity at a wall chart setting out one of the contact that Jack this week was gazing in some perplexity at a wall chart setting out one of the contact that Jack this week was gazing in some perplexity at a wall chart setting out one of the contact that Jack this week was gazing in some perplexity at a wall chart setting out one of the contact that Jack this week was gazing in some perplexity at a wall chart setting out one of the contact that Jack this week was gazing in some perplexity at a wall chart setting out one of the contact that Jack this week was gazing in some perplexity at a wall chart setting out one of the contact that Jack this week was gazing in some perplexity at a wall chart setting out one of the contact that Jack this week was gazing in some perplexity at a wall chart setting out one of the contact that Jack this week was gazing in some perplexity at a wall chart setting out one of the contact that Jack this week was gazing in some perplexity at a wall chart setting the contact that Jack this week was gazing the contact the contact that Jack this week was Those associated with tele-Cinematograph, Television and ment's more abstruse economic Allied Technicians, should want difficulties. An academic figure to move his dispute into the beside him suddenly remarked: forum with which he is most "It is hard to imagine the familiar: people sitting around in a studio with cameras point-Such hiccups aside, the new ing at them, "We want to make look British Business may, if the facts of this dispute public," successful abroad, eventually he says, with apparent indif-

inflicted on the public every morning.

But O'Connor may ironically But O'Connor may ironically have his wish. The ITV companies say cautiously that "they would probably be prepared to consider a television offer from the BBC seriously." And the BBC, for its part, seems not averse to the index However, the decision on whether it would make, as they say, "good tele-vision," is being left to any individual programme editor who feels like inviting the adversaries along.

### **Lurking Livia**

The invitation extended to the entire Board of Dalgety to become credit customers of the new Spillers-owned restaurant in the City, the Villa Augusta, in the City, the villa Augusta, is informed by a blacker sense of humour than at first appeared. The restaurant may, as advertised, be "elegant and spacious . . . typically Italian . . . cool and relaxing with its Terrazzo tiled floor," but I note that it also contains a private that it also contains a private Room

This distracts somewhat from that soothing floor. Livia, as viewers of the television serialisation of I Claudius will remember, is best remembered for her skill in paisoning people. She was also never coy about dealing with takeover bids not to

### inner workings

## **Hoare Govett Ltd.** are moving

As from next Monday, October 1st, the new address for all Departments (with the exception of Gilt Edge, Fixed Interest, Investment Trusts and Moneybroking) will be:

Heron House. 319-325 High Holborn, **London WC1V 7PB** Telephone 01-404 0344 Telex 885474

Heron House is within a few yards of Chancery Lane Underground Station.

The Gilt Edge and Fixed Interest Departments remain temporarily at Atlas House Telephone 01-606 9800

Our Stock Exchange Office, together with our Investment Trusts and Moneybroking Departments is located at:

27 Throgmorton Street, London EC2N 2AN Telephone 01-606 9800

**Hoare Govett Ltd.** 

# FINANCIAL TIMES SURVEY

Friday September 28 1979

# Banking and Finance in Luxembourg

Developments in the world's financial and currency markets have blessed the tiny land-locked Grand Duchy of Luxembourg with an international status which is a phenomenon of modern times. It has become a major centre for the Euromarket, the host for offshoots of Europe's leading banks and the repository for extensive portfolio investment.

# Basic business of the Duchy

By Nicholas Colchester

as a banking centre has eclipsed even the rapidly mounting figures for international bank lending. Between 1965 and today the balance sheet total of all banks in Luxembourg has increased one hundred fold to \$100bn. This compares with the total of \$280bn for all foreign banks operating in the City of

The result is that banking is now the basic business of the Luxembourg economy. The corporation tax paid by banks last year accounted for four-fifths of all the corporation tax col-The subsidiary of Dresdner Bank is the Grand Duchy's largest tax payer. Bank corporation tax provided 15 per

re Govern

removin

and account for almost 5 per going one way and costs sheets rather than just their The number in Luxembourg market is now deposited and question is how much longer the rise in Luxembourg's banking fortunes can continue. As with the price of gold it is an equally foolhardy a man who would call the turn, for new hanking subsidiary. But it is a retainly averaging the minds current banking developments in Luxembourg defy the

So far this year 11 new banks or bank branches have opened in Luxembourg taking the total to 108. At the same time during the first half-year the balance sheet total of all Luxembourg banks has been growing at the giddy annual rate of 35 per cent—and this at a time when according to BIS statistics growth in the Euromarkets as a whole has

These facts defy the fundamentals because 1979 is a year of complaint in the international banking business and a year when a long-term threat loomed above off-shore banking centres in general. It is also a year when the status of the dollar, the basic international banking currency, is under pressure.

The complaints arise because there is a distinct feeling that ness is becoming over-populated. Once again the margins that banks can earn in making interloans have netional been squeezed to the level they reached before the collapse of last, year, and this ignores the where loans can be considered start to supervise their banks the face of it the attraction of income fax paid by banking profitable only if viewed in an con the basis of their internations. They are 7,000 strong optimistic light. With margins tionally consolidated balance would appear to be in decline.

cent of the working population. emphatically the other, this is

As with the price of gold in not a time when one would
recent weeks, the persistent expect to see an influx of new

is certainly exercising the minds of banking supervisors in the international banking centres. This year has been one of lively discussion of "control of the Euromarkets" and "supervision of the international banking

### Abandon

The idea of controlling the Euromarkets usually implies some form of international imposition of reserve requirements. Fortunately for Luxembourg this idea, after a brief airing at the turn of the year, has since apparently been aban-doned as impractical. It would have gone to the root of Luxembourg's banking prosperity. German banks, which account for half of the Luxembourg banking balance sheet, have arrived very largely ecause of reserve requirements levied on foreign deposits in

banks in Germany. The move towards a more standardised concept of supervision appears at the moment to be going ahead slowly and this might affect Luxembourg in the long run. Current thinking suggests that banking authocent of the total tax revenue the Herstatt Bank—to a point rities in any country should last year, and this ignores the where loans can be considered start to supervise their banks

domestic ones. If this idea were to develop it would gradually 1973 before falling to the curreduce the advantage of setting rent total of 13. up banking subsidiaries in more liberal offshore centres.

Luxembourg's authorities have to tread rather delicately at a time like this, just as the Bank of England must. It is therefore most encouraging for the Luxembourg Government to see the growth in banking business continuing without artificial stimulus. The inference is that Luxembourg as a banking centre has reache some sort of "critical mass" where the attractions for banks latory opportunism but owe much to the city's emergence as a marketplace offering contacts, even types of business,

which they cannot get else-

where.

Take S. G. Warburg for instance. British banks are noticeable absentees from Luxembourg, mainly because they have an international banking centre at home. But Warburg, the British merchant bank, has taken a share in a new joint venture in Luxembourg to benefit from closer contact with the well established German banks and with the new wave of Scandinavian banks which arrived recently for regulatory reasons. The hard currency Eurocurrency markets

are a lure as well, Or take America's Manufacturers Hanover Trust (MHT), which is shortly going to open a subsidiary in Luxembourg. On

reached a maximum of 17 in

The U.S. banks have tended concentrate their Euromarket activities in London. But MHT has now decided to come to Luxembourg because it wants access to the Euro-D-Mark market, to participate in syndi-cated loans organised within Luxembourg, and to benefit from a double-tax treaty which Luxembourg is now establishing

with Brazil Other examples of the same story are given within this survey and they add credibility to the Banking Commission's contention that the banking business in Luxembourg has become self-regenerating. The Commission points out that a third of the interbank business of the Luxembourg banks now takes place within Luxembourg against a sixth five years ago and a twelfth five years before.

As in the international bank lending market as a whole this interbank component is now a surprising half of the lending total - a half on which presumably no overall profit can he made. But the growing pro-portion within Luxembourg does suggest the existence of a marketplace rather than a place where a number of banks go about their separate businesses. The steady rise in the appeal of the Deutsche Mark (DM) as one of the world's reserve cur-

re-lent from the Duchy. At a time when currency diversification by central banks showing no sign of stopping this is a most valuable market for Luxembourg to have cornered. It does, however, mean that relations between Luxembourg and Frankfurt become doubly delicate as Germany's Bundesbank is most

reserve role. Such developments make it possible for Pierre Jaans, the banking commissioner, to stress quality rather than quantity in tending Luxembourg's banking sector. A calm and competent young man of 42, whose career embraced Germany's Bundesbank,

squarely that Luxem-

taxes are too high. Nor, in discussing the continuous debate about super-vision of international banking, does he pursue a particularly favour of the principle of consolidation of parent bank bal-

as a booking centre because

ance sheets. As to whether solvency and liquidity ratios should then be applied to these consolidated figures he says diplomatically: "It's a policy question for governments whether they want their banks to be competitive in international financial markets or keep their banking industry at a level which strictly matches domestic

rencies is undoubtedly one of He does not oppose the notion Luxembourg's strongest suits. Of a measure of international The lion's share of the Euro-DM agreement on the banking

ratios applied. He supports the idea of a central risk vetting agency, perhaps based at the Bank for International Settlements in Basle, which could monitor the credit standing of borrowers. Asked whether such moves towards standardisation might threaten Luxembourg as a banking centre he replies philosophically; "Markets change and we must produce uneasy about the D-mark's what the market requires. There is no point in producing steel which no one wants."

### Attractions

creation in Luxembourg of a market in Eurocurrency Certificates of Deposit (CDs) certainly does not indicate any unseemly haste on the part of bourg is no longer competitive the authorities to add to Luxembourg's attractions. Last year the Government sholished the 0.2 per cent stamp duty payable on each transaction, but since then the Banking Commission has bided its time.

> The authorities have left an mportant deterrent in place-CDs must currently be registered rather than "bearer" if they have a face value of less than LFr 7.5m. The Commissioner is prepared to change this rule when the Luxembourg banks "have produced an inter-nationally credible, acceptable formula for issuing and trading CDs." At the start it seems that Euro-dollar CDs are going to be

central banks would take a very dim view of such a development. Central banks, with the excep tion of America's Fed, are still sensitive about development security markets denominated in their currencies than they are about Euro-money markets. Partly because of this Luxem bourg plays a relatively small part in the international securi-ties market. Its own particular group of investors, mainly in Belgium, has been losing interest in the only currency

There have been issues of Deutsche Mark securities from Luxembourg but the Bundesbank recently asked German banks to cut right back on such activity. So instead of being a major issuing and trading centre Luxembourg has concentrated, successfully, on pre-viding the procedural basis of international securities market.

which Luxembourg banks can

freely deploy-the dollar.

What can the authorities and the established banks do to protect and further improve Luxembourg's place in the financial market? Good relations with the authorities in Belgium and West Germany are clearly vital. For all the diversification which has taken place the German connection remains as fundamental as ever to Luxembourg's prosperity.

Bankers agree that Luxemthe only ones to emerge. Much bourg is insufficiently developed as investors might like to buy as a centre for investment Swiss franc and Deutsche Mark management. Some suggest

CONTINUED ON NEXT PAGE

Banque Générale du Luxembourg established since 1919 is offering full domestic and international banking services.

Banque Générale du Luxembourg is a member of the Luxembourg Stock Exchange.

Banque Générale du Luxembourg is actively participating in the primary and secondary euro-bond markets and in the foreign exchange and euro-deposit markets.



Banque Générale du Luxembourg

Société Anonyme Head Office: Luxembourg avenue Monterey 27

Telex: 3401 bgl lu; 2783 bgltit lu; Foreign exchange and euro-deposits: 2742 bglex lu

Telephone: 47991 Foreign exchange and euro-deposits: 21555



1st EUROPEAN TRADE FAIR FOR FURNISHINGS AND EQUIPMENT OF FINANCIAL INSTITUTIONS

Up-to-date bank-equipment presented by the market-leading manufacturers

9-13 November 1979

**EUROPEAN CONGRESS** FOR THE ORGANIZATION OF FINANCIAL INSTITUTIONS

Practical solutions to achieve efficient improvement of all service to the customers

12-13 November 1979

TRADE FAIR AND CONGRESS ONE INFORMATION CENTER specifically conceived to provide planning aids to the european financial institutions

Informations: SOCIETE DES FOIRES INTERNATIONALES DE LUXEMBOURG S.A.

P.O.B. 110 - L - LUXEMBOURG 2 Telephone: 20931 - Telex: 2259 foire lu

### If you are looking for another department-store in banking, you should not read this.

We are a long-term credit bank,

Our nation-wide activities in Germany with total assets of 10 billion DM include

- medium and long-term investment loans to carefully selected companies
- export financing at long-term
- hond issues
- bond trading and interbank money trade.

If you are looking for a top ranking partner specializing in these fields - why do we not contact each other? Our activities are systematically expanding into inter-<u>national markets.</u>

Among our shareholders are

- a foundation sponsoring research for mediumsized companies
- a holding company belonging to the big 3 Ger-
- top insurance companies
- and more than 5000 private investors.

### Industriekreditbank AG **Deutsche Industriebank**



Die Unternehmer-Bank

Karl-Theodor-Straße, Düsseldorf, P.O. Box 1118 Contact Jürgen Töniges Telephone 211-8221-240, Telex 8582617.

# IF YOU DEMA RESOURCEFULNESS. GET IT.

# Consult the IBJ Banking Group in Europe.

Luxemboura.

The Industrial Bank of Japan (Luxembourg) S.A., a wholly-owned subsidiary of the Industrial Bank of Japan (Germany), was the first Japanese bank established in Luxembourg. In cooperation with other IBJ Banking Group members, IBJ (Luxembourg) offers foremost expertise in Eurocurrency lagns, money deal-Ings, securities trading, and investment consultation.

-Frankfurt.

The Industrial Bank of Japan (Germany) is a majority-awned subsidiary of IBJ, being jointly operated with Deutsche Bank AG. It offers full banking services with main emphasis on loan and underwriting businesses.

London.

The Industrial Bank of Japan maintains a London Branch office which undertakes a complete range of banking services. In addition, IBJ operates IBJ International Limited, a whollyowned merchant banking entity which arranges term loans and provides underwriting and advisory services.

In addition

IBJ maintains representative offices in Frankfurt and Paris which act as information centers, providing access to the comprehensive knowledge IBJ has accumulated in serving Japanese industries.



### THE INDUSTRIAL BANK OF JAPAN

Japan's oldest and largest long-term credit bank. Assets USS52 billion.

Head Office: 3-3. Marunouch: T-cheng, Chivoda-ku, Tokyo Phone 214-1111 Telex J22325
The Industrial Bank of Japan (Luxembourg) S.A.: Phone 474755 Telex 1219 London Branch: Phone (01) 236-2351
Telex 886939 18J International Limited: Phone (01) 248-0221 Telex 886939 18J International Limited: Phone (01) 248-New York, Los Angeles, Singapore, Hong Kong, Sydney, See Paulo, Berrut, Torgeto, Jake

# Euroloan margins arouse caution

sation turns to one of their nartinued easing in borrowing terms for syndicated Euro-

With margins over interbank rates now down to 1 to 1 per cent for the overwhelming majority of borrowers, and maturities stretched out in some cases to 10 to 15 years, bankers say the slide in conditions can hardly go any further. They protest that many deals put together over the last few months leave the banks with hardly enough margin both to make a reasonable profit and also to put aside sufficient provisions for risks.

international banks, even the usually aggressive Japanese, are starting to vote with their feet by turning down invitations to participate in the lower-priced credits giving rise to specula-tion, for the umpteenth time over the last two years, that the turning point in loans con-ditions may be just around the

Ontimism that the downward spiral in loan terms may be coming to an end is tempered however, by a considerable number of clouds on the aver-age Lexembourg bank's horizon. There is general disquiet at reports that U.S. banks active on the Euromarket may ding for credits because of the fall-off in domestic loan demand caused by the onset of recession.

### Kash.

Bankers complain that many borrowers are becoming increasingly sophisticated at extracting maximum benefit from the presently over-liquid market. This has been partly responsible for the rash of refinancings and early repayments of outstanding Eurocredits over the past few months, as porrowers scramble to take advantage of the drop in margins and lengthening of maturities. Although the Japanese have

become less aggressive, principally at the behest of the Tokyo Finance Ministry, competition on the whole remains strong-including from a number of relatively newly-established German banks in Luxemmuscles on the international Overlaying everything is dis-

quiet at the growing inter-national leaning among central banks and supervisory authori-ties towards tighter control of

A PAINED EXPRESSION fits Control Commission to retain like Portugal with which it has tively independent status in across the face of Luxembourg over the administrationally close connections— Luxembourg, and say they are surobankers when the convertion of Luxembourg banking. Bankers point out the unlikeli-

hood of dramatic new measures to increase the activities of the International Monetary Fund or other official institutions in financing balance of payments deficits. So it appears as if the banks themselves are once again finance a good part of the payments disequilibrium resulting
from the re-emergence of the
or some other specific
or some other specific

At such a time, say the banks, it is hardly sensible or justified to saddle their operations with greater regulatory costs and restrictions—an attitude which, to be fair, some of the central banks share as well.

Faced with the slump in margins and the lengthening of maturities over the past couple of years, Luxembourg banks have responded basically in one of two different ways. The larger German banks which had already built up considerable international reputations as managers of syndicated credits have tended to draw in their horns a little, becoming more selective about taking on lower yielding business in the hope of maintaining some spare capacity for an eventual improvement in

Others—mainly the smaller German banks relatively new to international business, as well as some of the other Luxembourg institutions with only fairly modest roles in Euromarket transactions — have expanded their activity. Their hope has been to compensate for lower interest rate yields with greater volume and—especially important-higher fee income from management positions.

Particular examples of this second type of response have been provided by DG Bank, the central bank of the German co-operative banking system, which has been placing full emphasis on its Luxembourg operation only since last year. The bank has acquired some-thing of a reputation for aggressive bidding for management positions, and this spring surprised—and in some cases shocked—the rest of the banking world by winning the mandate for the \$400m Eurocredit for Eletrobras, the Brazilian utility, at what were then extraordinarily fine terms for the credit was arranged, terms for Brazil have in fact shrunk even further.)

Kreditbank Laxembourgeoise, one of the few Belgium/ Luxembourg institutions in the Grand Duchy to have much of a share of Euromarket business, the Euromarket.

Larembourg can scarcely has followed a broadly similar hope to insulate itself from the general regulatory climate, despite the justified desire of the pitte the justified desire of the positions—especially involving credits for European borrowers

by 40 per cent this year, and is budgeting for a 50 per cent rise in 1980.

The borrowers' market has also led to a certain number of similar responses among both categories of banks. Both sets have stepped up the search for specific borrowers which offer either an exceptional

Portugal, which has good connections with European banks and is also not adverse to paying slightly better rates than other botrowers of similar standing, has been a fairly active fund raiser in recent months.

Belgium, although command-ing very fine rates (some of its short-term borrowings have been at interest rates scarcely above interbank levels), has also been a relatively welcome borrower. Both because of the natural goodwill enjoyed by Brussels on the Luxembourg banking scene, and because of the relative rarity of foreign loans by the Belgian authorities, the government has raised fairly noiselessly through Luxembourg banks a good propor-tion of its overall external financing of some \$1.5bn this

The enthusiasm of the Grand Duchy's banks for export-related business has always been strong. But during the bout of margin cutting, the desire to get credits on to the books which offer a business tie-up with German exporters has grown even further. Many of the large Deutsche Mark credits put together Luxembourg over the past two years—for countries such as Bulgaria, Poland, Portugal. Mexico and Brazzi—have been tied up with export financing. The same can also apply to

dollar loans-the three large syndicated credits arranged in dollars by Dresdner Bank for Comecon's International Investment Bank were partly earever arranged a DM 740m loan, syndicated principally in the Grand Duchy, covering the purchase of German engineering goods. The chance to participate in these export-orientated D-Mark credits has, in fact been one of the main reasons behind the rush of smaller German banks to Luxembourg over the past twoand-a-half years.

Other large Deutsche Mark rate outlays.
credits have been put together Maybe so. But, as another simply for balance of payments banker ruefully puts it: "If year or so. Most of the German banks take pride in their rela-

But there is no doubt that the decisions—at least for the head office of the parent bank rather than in the Grand Duchy. It is also clear that should general refinancing diffi-culties on the Euromarket ever arise, the parent banks would have to stand behind the subsidiaries.

As fundamentally D-Mark, rather than dollar-based banks, they would be expected to be in greater difficulties than U.S. institutions during a general dollar shortage.

For this reason, banks have a natural enthusiasm for provid-ing D-mark financing. Some of them have given considerable publicity to the idea of all-Luxembourg syndications for D-mark credits, using a reference interest rate based on 'Luxibor" rather than "Liber.

It is true that Luxembourg is sometimes especially suited as the fund-raising centre for certain loans—for instance in deals with an East European borrower, or where the legal documentation is in German rather than English. But otherat the "Luxibor" approach as something of a gimmick—a self-advertising campaign that a completely established centre like London or New York would not go in for.

factor mitigating against D-mark financing has always been bor-rowers' distrust of the super-hard German currency. Even at times when D-mark interest rates have been up to five points lower than those on dollars, the fear of currency appreciation has been something that many berrowers have found hard to shake off. However, corporate fund raisers, such as multi-national companies and sirilnes, with large revenues in D-marks, as well as Governments of countries with increasing exports to the Federal Republic (as well as increasing amounts of D-marks in their reserves), have never been averse to borrowing marks.

Some bankers also feel that marked for imports of German borrowers should take more equipment for the Orenbourg advantage of multi-currency gas pipeline project. And in clauses in syndicated loan agreements which allow a currency the largest D-Mark Eurocredits option for the drawings made at option for the drawings made at three- or six-monthly intervals. One banker points out that, taking into account the relative stability of the dollar this summer and the huge dollar-DM interest rate differential in the spring, borrowers who in March had been sophisticated enough to take D-marks rather than dollars for a six-monthly tranche of a syndicated loan would have made large savings in interest

imar

purposes, with Denmark a borrowers get any more clever notable borrower in this type at playing the market, we won't of transaction over the past be making any money at all."

David Marsh

# Business

CONTINUED FROM PREVIOUS PAGE

that the confidentiality and numbered accounts offered by Luxembourg are not widely known. The problem here is that, as an EEC member Luxembourg will not be able to avoid such EEC disclosure requirenents as are imposed. Yet even without stressing

secrecy more might be done to attract investors and investment managers to Luxembourg. The country is well placed to do investment research and provide statistics on the banking and securities markets. Yet it has no reputation in these fields. Luxembourg is also hard-pressed in providing the ameni-ties and manpower necessary in a city which hopes to develop as a fully fledged banking centre. The hotel system—vital for visiting bankers and clients —is inadequate. One of the big Luxembourg banks would do well to follow the example of Switzerland's Credit Suisse in Zurich and develop a first-class hotel in the financial heart of the town. Housing is said to be hard to find.

Bankers report that staff, particularly English-speaking, are in short supply and therefor expensive. Mr. Edmond Israel, director of Banque Internationale à Luxembourg, says that Luxembourg is now making a conscious effort to educate its young people in the necessary skills.

Finally, Luxembourg would benefit from an increase in the small number of double taxation agreements with other countries, or with an improvement to the internal fiscal alternative. Its Government has already made a move in this direction, allowing banks to claim tax credits in Luxembourg against witholding tax they have paid in other countries which do not bave double-tax arrangements in Luxembourg. Bankers view this as an important development, but claim that the current system is still too



in Banking and Finance.



UNION DE BANQUES ARABES ET FRANÇAISES - U.B.A.F. Branches: Tokyo-Bahrain-Seoul

London 4 UBAF BANK LIMITED

UBAE ARAB ITALIAN BANK S.p.A. Lexembourg/Frankfurt UNION DE BANQUES ARABES ET EUROPEENNES S.A.-U.B.A.E.

UBAN-ARAB JAPANESE FINANCE LIMITED

New York UBAR ARAB AMERICAN BANK London

UBAF FINANCIAL SERVICES LIMITED General Representative Offices for the Middle East: Beirut & Cairo

> Major banking and financial institutions from all the twenty Arab countries

France - United Kingdom - Italy West Germany - Japan - United Series of America are shareholders in one or more of the seven associated but independent companies. rsing

# Notable market in Euro-Marks

LUXEMBOURG's growth in March), the banks' external Euro-currency banking in the foreign currency positions have last few years has indeed been impressive—and the size and activity of its 108 banks are the European portion of the if anything understated by the if anything understated by the Euromarket on the basis of modest amount of neon lighting assets, and 11.3 per cent for used to advertise their presence liabilities. on the city's skyilne.

The external foreign currency assets of the Grand Duchy's banks have risen at an annual average rate of 34 per cent over doubling of the last five years—easily out of the Eustripping the 20 to 25 per cent since 1973. growth rates of the Euromarket This growth as a whole. According to the latest Bank for International

The proportions are up from 10.9 per cent and 10.7 per cent

arket This growth seems to have year was in fact the first of the continued into the summer, quarterly drop since the post-tional The overall balance sheet total Herstatt jitters of the third (for of all Luxembourg banks rose quarter of 1974.

by about 17 per cent in the first six months this year to about \$100bn (of which about 88 per cent is denominated in foreign

This is somewhat higher than the underlying growth of balance sheets during the pre-vious few years, when totals have risen on average by about 25 per cent annually. And it comes at a time when the overall size of the Euromarket respectively at the end of 1978 comes at a time when the comes at a time when the doubling of Luxembourg's share measured by the BIS statistics of the Eurocurrency market has fallen. The small decline in the first three months of this

The atypical behaviour of Luxembourg Eurobanking this year provides cause for both gratification and a certain amount of ease. On the one hand, the Grand Duchy has managed to build up its share of total Euromarket loans made to non-banks. The Laxembourg portion amounted to \$33.6bn at the end of March, or 26.2 per cent of all such loans (against 25.7 per cent in December)— the highest proportion ever. On the other it is clear that a large slice of the increase in overall Euromarket business has been through a build-up in unprofit-able inter-bank transactions.

A revealing figure from the Luxembourg Banking Control Commission is that, in June, 54.3 per cent of the hanks' total balance sheet assets were in the form of claims on other banks, form of claims on other banks, against 50.8 per cent at end 1978 and 50.3 per cent in June last year. It seems that at least for some of the banks, impressive growth rates in business volume have been fuelled more by the inter-bank merry-goround rather than by increases in credit business.

Of total foreign currency busithe dollar and Deutsche Mark each account for about 45 perwith the Swiss franc cent, with the Swiss franc making the largest part of the rest. With 80 per cent of the overall Euro-DM market con-centrated on the Grand Duchy, Lamembourg has acquired its But now that the city is firmly market of 55 per cent and 57 per established as the second most cent.

important Euromarket hase after London, the banks are anxious not to become typecast The interest of diversification influx of new banks in recent years, adding to the traditional mix of West German, U.S. and Belgian/Luxembourg institu-tions. In particular, the Scandinavian and Italian banks which have opened in the last few years have brought new currencies and new sources of international business.

### Scope

Two of this year's newcomers have provided particular scope for widened lending opportunities. The establishment in Luxembourg of the Bank of China and Bank Handlowy, the Polish foreign trade bank, has breught banks into direct contact with countries which look like being considerable bor-rowers of Euromarket funds for some years to come.

But however much the banks

are keen to diversify their interests outside their own geographical area it is clear that, at least for the moment, the general orientation of Luxembourg bank lending is very firmly in the direction of Western Europe. About 70 per cent of the Luxembourg banks' total Eurocurrency assets are with this area, and 82 per cent of their liabilities—against of their liabilities against corresponding figures for the

diaries of German banks about being "international" rather than German institutions, there is also no mistaking the basic cause of Luxembourg's growing importance as a Euromarket centre. It is mainly because of the D-Mark. The successive revaluations of the Germany currency over the last decade have strengthened the capital base of the Federal Republic's banks and given them more muscle in international finan-

The considerable German current account Surpluses chalked up over this period, coupled with Bundesbank intervention to hold down its currency, have, in most recent years except this one, sharply built up banking liquidity. And the increasing use of the D-Mark as an international reserve currency—by govern-ments and central banks as well as large private companies and institutions has added enor-mously to the deposits at the

The Laxembourg subsidiaries of the big German banks have also been used in another way to strengthen the balance sheets of their parents. Over the last two years, all the big three institutions — the Deutsche, Dresdner and Commerzbankhave used their Euromarket subsidiaries to float medium-term Eurobond issues, denominated in both dollars and

YOUR FOCAL POINT IN THE EUROMARKET: DG BANK INTERNATIONAL

Whatever the pretensions of The proceeds have been added some of the Luxembourg subsi- to the banks' general resources

There is no available figure for total Deutsche Mark deposits by central banks and other official institutions at the Luxembourg Eurobanks. Some estimates, however, put the amount of DM 20 to 30bn-most of it lodged with the big three banks and Westdeutsche. Asked to give an indication, M. Pierre Jasos, the Banking

Commissioner, merely smiles and says it is "not insignificant" -in the full knowledge that the growth in importance of the D-Mark as a reserve currency is a subject of concern for the top men at the German Bundesbank. The German authorities have reluctantly seen the reserve role of the currency grow dramatically over the past few years It is now reckoned to account for some 10 per cent of total official foreign exchange hold-ings, taking the place as the world's second most important reserve currency which was occupied by sterling up to the

The largest part of the official deposits stems from developing countries in Latin America, south east Asia and Africa. OPEC nations are also represented but most oil money is major reserve currency carries deposited in London or New on into the future, this will York rather than Luxembourg, according to bankers. European countries such as Austria, Norway and Denmark, which are ing centre. D-Marks, some of which have not bound by the gentleman's been convertible into shares. agreement within the Group of

Ten and Switzerland prohibiting central bank deposits on the Euromarket, also have quite large sums on account with the German Eurobanks. And there are even signs that some of the Group of Ten members occasionally break their own rules and deposit either dollars or D-Marks with banks in the Grand Duchy.

At the start of the 1970s, when Luxembourg was only at the beginning of its period of rapid expansion, some central banks were reluctant to deposit funds in Luxembourg—even interest rates higher than in Frankfurt because of the absence of minimum reserve requirements on the ground that the banks there were merely subsidiaries. This led to some parent banks issuing "letters of comfort" (Patronatserklörungen) guaran-teeing the deposits held at their

### Liabilities

The practice was stopped a couple of years ago after the Federal Banking Supervisory Office, altered by the Bundesbank, laid down that guarantees given in this way would count as contingent liabilities of the parent banks, requiring them to make extra capital provisions.

Since then, the Luxembourg banks have more or less stood on their own feet. During the last few years of growing reserve diversification around the world, they have boosted rather than lost central bank deposits. And if the growth in importance of the D-Mark as a ол into the future. This will probably be a principal reason ensuring continued expansion of Luxembourg as a Eurobank

David Marsh

# Closely defined controls

LUXEMBOURG'S banking Com- vestment funds and the issue exchange position on a monthly missioner M. Pierre Jaans does and trading of securities, not lay great store by "comfort Before establishing itself in letters" — undertakings by Luxembourg any bank has to parent banks that they will satisfy the Banking Commisstand by their branches or sub-sidiaries in Luxembourg. "Our management are adequate for supervisory system aims at sol-its planned activities, and that vency in any winding up," he

says.

The Inter-Bank Research cant needs to have the sponsor-Institute has prepared a ship of two banks which have detailed comparison of the bank been operating in Luxembourg regulations in the EEC coun- for at least five years. tries.\* It leaves the immediate impression that Laxembourg's controls are as complete as any in the EEC and are certainly more closely defined than those presently imposed in Britain by the Bank of England.

On the other hand, the comparison also makes it clear that in the matter of solvency ratios build up a legal reserve. It per cent by the Banking Commust deposit at least 5 per cent by the Banking Commust deposit at least 5 per cent by the Banking Commust also cover fixed assets.

The minimum solvency ratio for between 3 and 10 per cent by the Banking Commust also cover fixed assets.

The minimum solvency ratio bourg's minimum requirements per cent of capital. allow banks a very competitive degree of gearing.

The Banking Control Commission was set up in 1945 and them. Every month they must now numbers some 45 staff, of complete a form telling the whom 18 are working on the Commission of 100 different supervision of the banking categories of assets and 100-of sector. Its brief stretches liabilities. They must also beyond banking, embracing in-submit a report of their foreign

the bank's internal control

Deposit

The initial capital has just been raised to a minimum of LFr 350m (£5.4m), of which a minimum LFr 250m must be paid up. In addition the bank is obliged by company law to

The Commission control of banks by demanding a regular flow of reports from

Mr. Jeans explains that the foreign exchange position of any bank must be "in reasonable proportion to its assets and earning capacity." This proportion is not laid down, but if any bank shows an open position equal to more than 30 per cent of its own funds reports are required much more regularly.

Two balance-sheet ratios are stressed—a solvency ratio and a liquidity ratio. The second of these insists that liquid and realisable assets must amount to at least 30 per cent of liabilities to the public. The first asserts that the ratio of shareholders' funds to current liabilities may be fixed at a minimum of between 3 and 10

is currently set at the lowest possible figure, which allows Luxembourg banks to adopt quite a high gearing ratio in their lending. Mr. Jaans points out that the current average in Luxembourg is something over 3.5 per cent. He also hints that this ratio may be moved upwards.

Fifty per cent of funds raised through the issue of sub-ordinated loan stock and with a remaining maturity of over one year, may be regarded as colders' funds for the purposes of the solvency ratio. This poses of the solvency ratio. This allows an even higher effective level of gearing to be achieved. But the bank needs specific permission to do this, and it may be refused if the Banking Commission finds that the bank is paying out (rather than reinvesting) a lot of dividend. "Subordinated debt is regarded only as transient capital," says Mr. Jaans.

Banks have to prepare statements of profit and loss every quarter and since 1975 have been assessed at the same nterval for maturity mismatch —an exercise which the Bank-ing Commission copied from the Bank of England. There are no hard and fast rules for maturity mismatch but the Commission compares figures for different banks and talks to institutions whose figures are notably out of line.

Every year, before the annual results are published, each bank is visited by a team of 2 to 3. inspectors appointed by the Banking Commission. The Commission can insist on changes in a bank's operations, including personnel, if the results of this inspection are deemed unsatisfactory.

Nicholas Colchester \*The Regulation of Banks in the Member States of the EEC. (Graham and Troiman) price

# Nikko's **Financial Expertise** is available in Luxembourg for

International Banking **Eurobonds Trading** Underwriting of Securities **Investment Information Services** 

## THE NIKKO (Luxembourg) S.A.

Managing Director: Yasumasa Sekiya Managers: T. Ando and N. Moriyama

88 Grand' Rue, Luxembourg-Ville Luxembourg

Tel: 42384 Telex: 1348



BANQUE DE PARIS ET DES PAYS-BAS POUR LE

GRAND-DUCHE DE LUXEMBOURG S.A.

General & International Banking

Head Office: 10a, boulevard Royal-Luxembourg

Telex: 2332 General Banking 2253 Foreign Exchange Dealers 2208 Stock Department

2710 Holding Department

Tel: 408 30 (10 lines) 418 01 (9 lines)

R. C. Lux. Section B NO. 6754

anit lifts capital alby Laxers 400m to Lan ital to Luxtes 880m real institute for West Gera DM 2.2bn er DMI.2ba Bank, the ce Cooperative lance she ni at the Bank geschäftsjahr 1928 k International Lan bank der ger ubled its capital to LuxFrs 880n gruppe in der B DG Bank, the central institute for West Gerland, die Enwaren many's cooperative banks, expects its subsidiary's balance sheet total to stand at DM 2.2bn gen sowohl das Kredigesia Geld- und Desistanian Wertpaplergeschaft bet equivalent at the end of 1978, against DM 1.2bn at the end of June. winn von 0,143 Mills DM file sentlichen in die geset Hills DG Bank unit lifts capital gen. Bei gusgewieser von numriehr strigene erreichte das Buanz orte son capital social FRANKFURT - The Luxembourg subsidiary uniliards de francs of DG Bank Deutsche Genossenschaftsbank tembre 1978, la DG is raising its capital by Luxfrs 400m to Luxfrs e Luxembourg, dans Lux Ende 1919 pt 125 1.3bn Earlier this year the Luxembourg bank k Francfort détient une doubled its capital to LuxFrs 880m DG-Lux mit Gewi DG "Lux" - ein Senkrechtstarter

For any major German bank active in international financing, an operating unit based in Luxernbourg is a must. Our parent bank has been engaged here via a joint venture since 1972. Since March 1978, DG BANK is operating in the Euromarket through its own subsidiary - DG BANK INTERNATIONAL with a paid-up capital of US \$45 million equivalent

Im Rumpfgeschäftsjahr eine

em Luxemburg (Eig. Ber.) - Die international, die nach ihre Dezember 1977 im Mai

then in Luxemburg authan ember 1978 thre erste Bi

tut neunmonatigen

DG BANK INTERNATIONAL'S services cover the whole spectrum of corporate and project financing, international syndicated loans, under-writing of international bond issues and private

placements, bond dealings, money market and foreign exchange operations and deposit transactions. At the end of its first business year the assets of DG BANK INTERNATIONAL exceeded the equivalent of US \$1,200 million.

mme von 2,25 Mi

DG BANK is both an internationally operating bank providing comprehensive commercial and investment banking services to prime corporate customers, public authorities and banks, and the central bank for a system encompassing 4.600 local banks, nine regional banks and a number of specialized institutions in the Federal Republic of Germany. At year-end 1978, DG BANK's consolidated assets exceeded DM 53 billion (US \$29 billion), whereas the assets of the German cooperative banking group totalled DM 273 billion (US S149 billion),

DG BANK INTERNATIONAL Société Anonyme, 25 B. Boulevard Royal (Forum Royal), Boite postale 661, Luxembourg, Phone: Luxembourg 47 59 711, Telex: Luxembourg 1878,

DG BANK INTERNATIONA



Home from home

for German banks



### THE COPENHAGEN COUNTY AUTHORI

(Københavns Amtskommune)

20,000,000 European Units of Account 83/4 per cent. Bonds due 1991

Kredietbank International Group

Algemene Bank Nederland N.V.

Blyth Eastman Dillon & Co.

Skandinaviska Enskilda Banken Crédit Commercial de France

Société Générale de Banque S.A. S.G. Warburg & Co. Ltd. Westdeutsche Landesbank Girozentrale

American Express Bank A.E. Ames & Co. Amsterdam-Rotterdam Bank N.V. Andelsbanken A/S-Danebank. Backs Halsey Strant Shields Bank of America International Bank Gutzwiller, Kurz, Bungener (Oversess) Bank Mees & Hope NV The Bank of Tokyo (Bolland) NV. Bankers Trust International Benque du Beneiux S.A. Banque Française du Commerce Extérieur Banque de l'Indochine et de Suez Banque Internationale à Luxembourg S.A. Benque Ippa S.A. Banque Nationale de Paris Banque de Neuflize, Schlumberges, Mallet Banque de Paris et des Pays-Bas Banque de Paris et des Pays-Bas Banque Worms H. Albert de Bary & Co. N.V. Banque de l'Union Européenne Bergen Bank Berliner Handels- und Frankfurter Bank Calese Centrale des Banques Populaires Calese des Dépôts et Consignations Christiania Bank og Kreditkasse Citicorp International Group Compagnie Auxiliaire de Gérance Financière S.A. Compagnie de Banque et d'Investissements (Underwriters) S.A. Contin Crédit Agricole (C.N.C.A.) Crédit Général Crédit Industriei d'Alsace et de Lorraine Crédit du Nord Creditaustalt-Bankverein. Gredito Italiano Credit Suisse First Boston Crédit Lyonnais Deutsche Bank Den Danske Bank Denembe Gironestrale - Deutsche Komm Den norske Creditbank Dresdoer Bank Dillon, Read Oversess Corporation. Deway & Associés International S.C.S. Girozentrale und Bank der österreichischen Sparkassen European Banking Company Hambros Bank Hill Samuel & Co. Kiobenhavns Handelsbank Kancallis-Osake-Pankki Kuhn Loeb Lehman Brothers International London & Contin Kredietbank (Suisse) S.A. Morgan Grenfell & Co. Merrill Lynch International & Co. Samuei Montegu & Co. The Nikko Securities Co., (Europe) Ltd. Nederlandse Credietbunk N.V. N.M. Rothschild & Sons The Royal Bank of Canada (London) . Société Générale Alsacienne de Banque Smith Barney, Harris Upham & Co. Société Euro Soditic International Panama Sun Hung Kai International Swiss Bank Corporation (Overseas) Trade Development Bank Union Bank of Finland Ltd. Williams, Glyn & Co. Dean Witter Reynolds International

Gudme Reaschou

### Bergen Bank International S.A. Luxembourg

Has after more than 3 years of business, experienced a steady growth with rising profits. At the end of the last accounting year, September 1978, the gross income before taxation, depreciation and provisions totalled LFR.90,312,000. an increase of 29 per cent over previous figures.

The total assets of the Bank were LFR. 9,706,506,500 at September,

Lending is principally allocated to Norwegian clients or to transactions particularly relating to Norway.

The Bank also maintains an active role in the interbank Deposit market.



Bergon Bank International S.A. 86 Grand Rue, PO Box 383 Telephone: 246 81 (Gen 23645/49 (Forex)

# Tax haven for Belgians

BELGIUM'S INVOLVEMENT in secrecy regulations provides the mushrooming importance of Belgian investors with a tax Luxembourg as a financial centre haven that is embarrassing as Belgian banks were in on the Duchy make their operations a

For Luxembourg's numbered accounts and stringent banking

tends to be a sensitive subject it is irritating to the Belgian in Brussels. Although the major authorities. "It would be better not to write about it," urged one ground floor of the Luxembourg bank executive in Brussels, "it banking phenomenon, Belgian has become a very dangerous investors activities in the Grand and emotional area." He went on to explain that the Belgian regulatory officials of the Com-mission Bancaire have of late been looking hard at the situation because of the State's need to maximise tax yields, and has warned the Belgian banks against directing certain categories of business towards Luxembourg. Advising an investor of the practical vestor of the practical advantages of depositing funds in Luxembourg is technically an offence that could lead to a

bank's licence being withdrawn.
If would be wrong to exaggerate the importance of Luxembourg's tax haven, or of the involvement of banks affiliated to Brussels parents in it. The degree to which private investors in Belgium use Luxembourg accounts to avoid or evade their Belgian tax liabilities can account for only a comparatively small proportion of banking busi-ness in the Grand Duchy. Yet it is enough for Belgians to con-sider it a Pandora's Box on

shut.
The nub of the problem is that inside a monetary and economic union, Belgium and Luxembourg each operate very different banking and fiscal policies. There are no insuperable controls on currency movements - and certainly few physical customs checks at the frontier — because the Luxembourg franc is so tied to the Belgian franc on a onefor-one basis that the two govern-ments publish joint balance of

which the lid had better remain

payments figures.

Belgian banking accounts, however, are open to inspection, while in Luxembourg confidentiality of numbered accounts has been established since the end of World War II. Luxembourg's tax thresholds for residents are even higher than Belgium's, but non-resident account holders are liable neither to local taxes nor to outside inspection. Given the

THE ATTRACTIONS of a Euro-banking centre just a couple of hours by executive Mercedes over the past dozen years. The branch networks in such places first bank from the Federal as London, New York, Tokyo Republic to set up in the Grand and the Far East, the smaller Republic to set up in the trand
Duchy was the Dresdner Bank
in 1967, marking the banking
industry's first cautious move
into the international
certain banks
into the international
certain banks
have started back into the international sphere since the Second World War.

from Frankfurt and Düsseldorf

have turned Luxembourg into a profitable home from home for 27 German banks. They

make up exactly one-quarter of the Grand Duchy's banking

population, account for over 50 per cent of total balance

sheet volume, and provide the largest single source of tax revenue for the Luxembourg

The German Eurobanks have

registered prodigious growth

German banks, the proportion

of profit stemming from foreign

business has risen to around

But this year some of the gloss has worn off. Falling mar-

dropped sharply this year in the wake of higher German

interest rates) have bitten into

profits. There is a general con-

year—and may even drop in absolute terms for some banks.

expansion, an increasingly large proportion represents interbank business rather than inter-

national loans. And all the time

competition is growing-both in

Luxembourg itself, where 11

new banks have opened this

year, and—more importantly—on the Euromarket in general,

where the rush into inter-

national loans by banks around

the world has been a major

reason for the sharp improve-

ment in terms for borrowers

over the past few years.

one-third in recent years.

The go-to-Laxembourg spirit was maintained for the next few years, with the succession of exchange rate crises during the last years of the Bretton Woods fixed exchange rate system pro-viding an important impetus.

Punitive minimum reserve requirements imposed on banks

rates in the recent boom years on the Euromarket. The five largest banks in Luxembourg. foreign liabilities during periods the subsidiaries of Dresdner, Deutsche, Commerchank, West-deutsche Landesbank and of upward pressure on the Deutsche Mark, together with other measures taken to bar indeutsche Landesbank and Bayerische Landesbank, have a combined balance sheet total of flows of hot currency into the Federal Republic, made the combined balance sheet total of about \$30bn—equivalent to an astonishing 14 per cent of the total balance sheets of their parent banks. And profits have risen commensurately. The Luxembourg subsidiaries, as wholesale banks operating with attractions of minimum reserve free banking in the Grand Duchy even more persuasive. By the end of 1973, out of the 80 banks established in Luxembourg, 15 were German-including most of the big names. Then followed a period of stagnation, with the German relatively low overhead and regulatory costs, provide the main reason why, for the main

contingent remaining un-changed at 15 for the next three years. The clouded world economic outlook in the wake of the oil price rise and the changeover to floating exchange gins on Eurocurrency credits and large write-offs on the bank's holdings of Deutsche Mark bonds (whose prices have rates made banks more cautious about expanding abroad. More specifically, the speciacular collapse of the Cologne-based Herstatt bank caused by massive speculation on the foreign exchange market, and the large losses suffered by the sensus in Luxembourg that banks' net income is likely to show sharply lower growth this Westdeutsche and Hessische Landesbanks through incautious expansion of their international business, served up dramatic case histories of how badly Although banks' balance sheets are still showing healthy fingers could be burned.

### Renaissance

Since the end of 1976, however, there has been something of a renaissance in the gointernational spirit—a result of growing signs of saturation on the heavily-banked domestic market, the expanding role of the D-Mark as the world's second most important reserve and trading currency and increasing internationalism among

German business in general.

At the same time as the The migration of German larger German banks, already

business there.

Most of the new recruits have been small to medium-sized private banks—in the wake of the Herstatt collapse five years ago, setting up abroad would have been the last thing on their minds—and public sector Landesbanks eager to follow the international trail blazed by

The three new banks to open up this year have been the Bankhaus Hermann Lampe from Bielefeld, the Westfalenbank from Bochum, and the Stuttgart Landesbank—none of them as they would be the first to admit, exactly household names on the world banking

Some of the larger German banks, observing the eagerness of their less illustrious cousins to grab a slice of the Luxem-bourg action, are apt to shake heads and ask why on earth they are coming—especi-ally when international banking is providing leaner profits than a few years ago.

The answers, however, are always a mixture of the same ones that lured the likes of Deutsche, Dresdner and Com-merzbank to Laxembourg a decade ago: the need to service. corporate clients on their increasing incursions into the international field, and to broaden the general spread of business at a time when the room for profit expansion at home looks very slim indeed.

A primary advantage in dealings with domestic clients is provided by the absence of minimum reserves in Luxembourg (In Germany, the Bundes-bank levies a reserve requirement — averaging out at about 8 per cent of the deposit—on all banking liabilities of under four years maturity.) This together with the lower over head costs of running a Luxenbourg operation, means that banks can drastically reduce the margin between deposit and lending rates compared with those in Germany.

This year, however, this sort peculiarly powerful German of funding activity has been combination of export know-much more muted. As a result how and financing muscle. of the Bundesbank's tight

of upward pressure on the market, EuroDM rates have risen to only slightly less than domestic rates (which themselves have increased sharply). Compared with the prime domestic interest rate level, at the moment about 8 per cent, Euromarket rates have been only marginally attractive and according to most bankers, it has simply not been worthwhile lately for companies to go to

Luxembourg to look for credits. The banks have been active, though, in indirect lending to German companies. Some of the parent banks, pressed by this year's domestic liquidity squeeze, have been refinancing through their Euronarket sub-sidiaries their lines of credit to domestic corporate customers accounting for part of the large inflows from the Euro-market which have shown up in Bundesbank statistics this year.

The other major form of credit service which the Luxembourg banks can give to their domestic clients has however, certainly increased in importance over the last few years. This concerns export financing, where house banks are increasingly being called upon to provide large Euro-market credits to back up German companies export deals. The project concerned can range from a small order worth a few million marks to a billion mark contract for a steel plant.

In the classic case—illu-strated over the past few years perhaps best of all by the multibillion dollar export of German nuclear technology to Brazila banking consortium will arrange a domestic D-Mark credit backed by the Hermes export insurance agency to cover the bulk of the order, while the same institutes through their Euromarket subsidiaries will put together a Eurocredit, in either D-Marks or dollars, to cover downpayments and (the often very considerable) local costs involved

in the contract.

In a competitive tender for an export project the quality of financing can provide the key which clinches the order—as many exporters from other European countries can testify from rueful experience of the

HARLES MARIS MOUNT

### One of the minor banks in Luxembourg is one of the major banks in Denmark.

In April this year AKTIVBANKEN A/S, Denmark, established a wholly owned subsidiary in Luxembourg in order to be better equipped to serve its business-customers.

Ranking among the minor banks in Luxembourg AKTIVBANK INTERNATIONAL S.A. may not seem very impressive, but in one of the richest countries in the world AKTIVBANKEN is number six - and for its size, the best earning bank in 1977 and 1978. And that counts.



Telephone: +352 41141. Telex: 3377.

# 中国银行 BANK OF CHINA

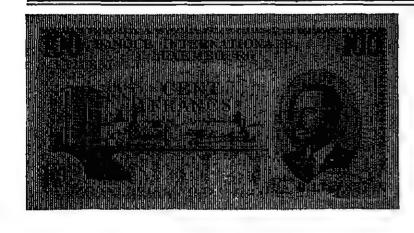
(Incorporated in the People's Republic of China)

Luxembourg branch offers commercial banking services especially in international financing, money market transaction and foreign exchange dealing, at:

### 9-11 Grand-Rue, Luxembourg

Telegraphic address: CHUNGKUO, Luxembourg International Telex No. 3546 Telephone 21791 (All Departments) and 26934 (Foreign Exchange)

# Did you know that



in addition to a complete banking service

including special departments for

\* eurocurrency loans \* eurobond issues

\* secondary market bond trading

\* portfolio management

\* foreign exchange and deposit dealing

\* domiciliation of corporations and investment funds Banque Internationale à Luxembourg, although being the oldest private banking institution of the Grand-Duchy, has been issuing

its own bank notes since 1856? But perhaps, more than this proof of stability and trust, the following figures may convince you:

\* capital and reserves: about 95 million US\$ \* balance sheet total: about 2,8 billion US \$ (31.12.78)



Luxembourg 2, boulevard Royal phone: (352) 47911 telex: 3409/3429

representative offices in New York and Singapore

member of ABECOR

اعكذا من الدّ عل

# Delicate talks with Berlin, Frankfurt

AN UNEASY truce hangs over activities of the banks in the relations between the West Grand Duchy.

German and Luxembourg bankThe German unease over German Banking Law to force work about 3.5 to 3.8 ing supervisory authorities over the vexed question of control of the German Eurocurrency banking subsidiary in the Grand Duchy. The gentleman's agreement concluded last October under which the Luxembourg banks are passing on—via their German parent institutes—a broad overview of their activities to the Federal Banking Supervisory Office in Berlin has taken some of the heat out of the controversy. But the respite will probably not last for long.

Claiming that the unbridled nature of Eurocurrency operaundermines monetary policies and can exacerbate inflationary dangers, in recent months the Bundespaigning for improved regula-tion of the Europe general and Luxembourg in par-And last May the found a powerful ally when Mr. William Miller, then chairman of the U.S. Federal Reserve Board (now Treasury Secretary in the wake of President Carter's July Cabinet changes), launched his well-publicised initiative for the major central banks to introduce minimum reserves on Eurocurrency deposits.

Luxembourg, with its relatively liberal banking system and its fast-growing Eurobanks, occupies a neuralgic point both geographically and ideo-logically—in the debate. As a small country caught up in a larger controversy, and with an economy becoming highly dependent on Eurobanking (around 15 per cent of the State's total tax receipts last year came from the banks), Luxembourg faces a considerable dilemma

An over-conciliatory attitude Jaans, the Banking Commisin the face of external pressure sioner. for controls could drive away some of the banks that are laying the golden eggs. But too ment is just the thin end of the much resistance, and too many ment is just the thin end of the wedge — a feeling backed up flery invocations of national by recent statements from the sovereignty and the State's Bonn Finance Ministry, Assum-strict banking secrecy laws, ing a victory for Chancellor, could provoke the German Helmut Schmidt's Government authorities into taking more in the 1980 general election, it draconian steps to curtail the appears that a major target in

Eurobanking in Luxembourg stems from two basic considerations. Both are bound up with the fact that the German banks

there—being legally independent subsidiaries rather than branches—are outside the formal control of the Berlin office, and also are not required (as are all domestic banks as well as, in effect, foreign branches) to deposit regulatory minimum reserves with the Bundesbank. First, there is the prudential concern that the international

operations of the subsidiaries could involve risks which—without being adequately monitored by the federal authorities—could impinge on the parent banks. Secondly, the Germans are worried about the macro-economic effects of the banks' operations. Their freedom to shift Deutsche Marks into, out of and around Germany can and does, it is claimed, undermine the Bundesbank's monetary policies—especially at times like this year when the central bank is trying to cut back the growth of money supply to help fight

Bargaining

The October gentleman's agreement was concluded after many months of tough bargainbetween the banks, the Berlin office, and Luxembourg's supervisory body, the Banking Control Commission. It allows the Berlin supervisors access to annual reports of the external auditors to the Luxen-bourg subsidiaries. This procedure "should bring about a satisfactory state of information" for the German authorities, according to M. Pierre

But many German banks in Luxembourg feel that the agreethe banks to draw up fully con-solidated balance sheets. This would also involve a setting of capital ratios on a consolidated basis. (The present law sets down capital ratios and other regulations on banks balance sheets for the parent bank only.)

M. Jaans is a member of the international panel of banking supervisors which has been looking closely at ways of improving consolidation techniques, and also attends the Basle meetings of central Basle meetings of central bankers at which Euromarket have been botly debated in recent months. Although he stresses that con-solidation should not be viewed as a panacea, he is fully in favour of the idea: "I would have mixed feelings if I knew that an affiliate was not monitored by the parent on a con-solidated basis. I see no objec-tion to enabling the supervisory authorities to have the same view as the directors of the banks have."

man law were altered to bring in consolidated ratios, some of the Luxembourg banks would have to change their habits. One of the main points made by German officials to back up the need for consolidated accounts is that Luxembourg banks are, relatively under-capitalised. But these allegations are countered by M. Jaans with the cort of statistical firmness only to be expected from someone who has himself served for 10 years in the economic intelligence department at the

But it is clear that if the Ger-

Apart from laying down that banks' start-up capital must be at least LFr 350m (the minimum was raised from LFr 250m earlier this year), the Luxem-bourg regulations state that banks' capital must be at least

works out at about 3.5 to 3.8 per cent.) In Germany, the comparable figure, according to il Jaans, is 4 to 5 per cent-excluding the lower-capitalised public sector banks. Considerinternational business historically are below those on stic loans, the somewhat higher gearing of Luxembourg banks can hardly be called

dangerously imprudent.

M. Jaans carries out a similar demolition job on German claims that Euromarket lending hinders the Bundesbank's monetary control. The lending of German banks from abroad to German non-banks com-prises only 2 per cent of the domestic credit granted to these borrowers. "I can scarcely follow the reasoning that 2 per cent of credit walnum cen be cent of credit volume car be serious especially when over all credit growth is in the region

of 10 per cent per annum."

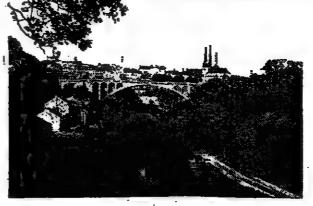
Bundesbank officials themselves admit that there is more than tinge of irony about the bank's complaints about the Euromarket: the problem is fundamentally of its own making. The migration of German banks to minimum reserve-free Luxembourg only really got off the ground after the Bundes-bank imposed punitive mini-mum reserves on banks foreign liabilities, along with other barriers to inflows, during the currency crises of the early 1970s. Some of these barriers still remain.

costs at the moment is Luxem-bourg's strength—but it could easily be exposed as its Achilles' Nothing would so

weaken Luxembourg's position as an Eurobanking Centre than for Germany to dismantle fully very restrictions which made the banks Jeave in the first

David Marsh

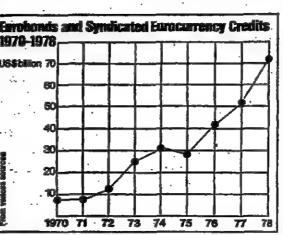
# Commerzbank International S.A. Ten years of successful Eurobanking in Luxembourg.



Commerzbank International S.A., among the very first subsidiaries to be established by German banks in Luxembourg, has provided multiple Eurobanking facilities since 1969.

Commerzbank International S.A. handles all types of international financial business in all marketable Eurocurrencies. It specializes in the acceptance of time and sight deposits and their placement in the international markets.





Commerzbank International S.A. also carries out all kinds of securities operations and foreign exchange dealings. Moreover, it offers short and medium-term credits and provides projectrelated import and export financing. It is likewise active in the underwriting and placing of Euroissues as well as dealing in them, with particular emphasis on inter-

nationally traded DM denominated bonds. Specialized services for a worldwide private clientele round off the Bank's extensive Euromarket capabilities.

# COMMERZBANK SIZ

Head Office: P.O. Box 2534, D-6000 Frankfurt/Main Branches and Subsidiaries: Amsterdam - Aniwerp - Atlanta - Brussels - Chicago - Hong Kong - London - Luxembourg - New York - Paris - Rotterdam - Singapore - Tokyo entative Offices: Beinut - Buenos Aires - Cairo - Caracas - Copenhagen - Jakaria - Johannesburg - Lyna - Mandind - Manama (Bahrein) - Mexico City - Moscow

# MEETING POINT XEMBOURG

3x PARIS. 2x LONDON

4x FRANKFURT 5x AMSTERDAM 3x ROME 1x NICE



For all inquiries contact your travel agency or Luxair, P.O. Box 2203, Luxembourg Airport



### **PKbanken** in Luxembourg

PKbanken International (Luxembourg) S.A. is a wholly-owned subsidiary of the Swedish PKbanken. The Bank's main aim is to assist Swedish

exporters and importers in raising funds on international money and capital markets and also to participate in foreign financing.

Paid up Share capital Luxfr 500 Million. Total assets Luxfr 20,655 million (US\$667 million), as at June 30, 1979 (unaudited).



PKbanken International (Luxembourg) S.A.

47 Boulevard Royal, Luxembourg. Telephone:

+352 26651-55 General and Credit Management +352 26656-59 Foreign Exchange and Eurodeposits Telex: 1558 pkint lu 1556/1557 pkfex

Cable: pekalüx Managing Director: Ake Srenson Vice-President and Deputy: Bjorn Tornvall.

# Tax haven

proximity of Brussels Luxembourg and the close relationship between both countries, many rich Belgians consider it no more than sound management to have their "savings accounts" in the Grand

Usually they avoid depositing funds with the three big Belgian banks which each have sizeable operations in Luxem-bourg. Although the Luxembanking regulations guarantee the same confidentiality anywhere in the Grand Duchy, Belgian investors cannot quite rid themselves of the suspicion that information might pass from an associated Belgian bank back to Belgium. Even so, Belgians' use of Luxem-bourg's special facilities can be open enough, for the trips that are made to Luxembourg so that bond coupons may be clipped and the interest payments deposited there have become

Just how serious the situation has become is a matter of opinion. And these opinions are not surprisingly based on com-paratively little fact. There are no figures, or even rough esti-mates, on the volume of Belgian private funds on tax-free deposit in Luxembourg. The loss to the Belgian Exchequer is therefore equally unknown.

### Defence

In defence of the practice, bankers tend to make two main points. The first is that because the Belgian-Luxembourg squirrelled away into Luxembourg accounts at least remain inside the largely Belgian economic system. Although the Belgian taxman is denied his bite, they argue, the money is still part of the "masse monetaire." If some method were to be found of clamping-down and blocking the transfer of funds to Luxembourg, the argument continues, the Belgians would simply bank in other member EEC countries.

Belgians are in any case widely reputed to keep a high proportion of their assets outside Belgium, either in property or in securities. The two points often made are that if Belgian funds were frightened out of Luxembourg there would be a damaging capital outflow that might bring the Belgian franc under heavy pressure, and that it would deny the domestic capital market badly needed funds. The first point may be valid enough, even if the second is specious. Deposits in Luxembourg are aimed at the Euromarket, not at Belgium's gilts market or its ailing equities

To a lesser extent, Dutch and West German banks offer similar fiscal refuges for Belgians who live close enough to the borders to slip across without inconvenience. makes Luxembourg so contro versial a banking centre in Belgian eyes is perhaps the involvement of the Big Three Belgian banks in the Grand Duchy's growth as a financial

They moved into Luxembourg for clear and unambiguous reasons, but their refusal in recent years to clarify the exact status of their Luxembours operations has served to create mystery where probably none is justified. After some early involvement in Luxembourg during the 1920s, the Brussels bankers arrived definitively after World War II when they fully recognised that the Grand Duchy's own small banks could handle savings and retail banking but were not equipped to cope with corporate business. The largest Belgian bank in Laxembourg is Kredietbank, which is the Flemish business

community's flag carrier and ranks No. 3 in Belgium, and it set up in 1949 with an eye to Luxembourg's programme for attracting foreign investment. Among its industrial customers it lists Goodyear Tyres and the Grand Duchy's Kent cigarette might have gone elsewhere if Kredietbank had not been able

to offer strong local support. Kredietbank is also tradition ally a pacemaker on the Euro-market ever since Issuching the first-ever Eurobond in 1961. Its Luxembourg operations have naturally centred around the Eurocurrency business. To help develop that it has carefully invited other major international banks to take small stakes in Kredietbank Luxembourgoise. It stresses that while being far from a consortium bank, the arrangement develops a useful relationship with such institu-tions as Algemene Bank Nederland, Banco Ambrosiano, Credit Commercial de France and Westdeutsche Landesbank Girozen

Yet Kredietbank Luxembour-geoise, which is quoted on the Grand Duchy's stock exchange refuses to reveal its exact rela-tionship with the Belgian Kredietbank parent. It will only say that it is more than 50 per cent owned by Kredietbank, and that that makes it the only Belgian bank that is clearly majority owned by its parent For the other two top Belgian banks, Societe Generale de Banque and Banque Braxelles Lambert, have minority interests in their respe

Giles Merritt

# Our Eurobanking Services

# **Syndicated Euroloans Foreign Exchange Money Market**

We are the wholly-owned subsidiary in Luxembourg of Badische Kommunale Landesbank, a leading German bank headquartered in Mannheim.



in line with prevalent market conditions and specific clients needs, we manage or participate in selective international loans arranged either on a fixed-interest basis or as a roll-over credit facility for borrowers requiring a flexible choice of currencies or maturities.

Our Euro-specialists also have the proven ability to deal successfully in the money markets both on an inter-bank and institutional basis - and the skill to provide effective foreign exchange cover for clients active in international trade.

To find out more about our Eurobanking services just contact: A. Feilen, Managing Director, Syndicated Euroloans; L. Ottaviani, Money market and foreign exchange dealing; Dr. H. Braun,

# BADISCHE KOMMUNALE LANDESBANK INTERNATIONAL S.A.

9, Boulevard Roosevelt, P.O. Box 626, Luxembourg-Ville, TeL: 475 9911 Telephone 475315 (Dealers), Telex: 1791, 1792 (Dealers), 1793 (Credits)

# Your Danish partner in Luxembourg.





# DEN DANSKE BANK INTERNATIONAL S.A.

18-20, Avenue Marie-Thérèse, P.O. Box 570, Luxembourg - Ville, Luxembourg, Tel. 40401, Foreign Exch.: 470521, Telex: 1665, Foreign Exch.: 1662.

> ihre Adresse für Euro-Banking

Your address for Euro-Bankina

Votre adresse pour l'Euro-Banking



Landesbank Rheinland-Pfalz und Saar International S.A.Luxembourg

52, roule d'Esch, Boîte postale: 84, Luxembourg, Téléphone: 47 59 21-1, Téléphone Arbitrage: 47 54 81 Télex: 1835 rpsku, Télex Arbitrage: 1836 rpsk/ku, Télégrammes: rheinsaariux

# Den norske Creditbank (Luxembourg) S.A.

equity in excess of F. Lux. 1,100 million

P.O. BOX 297

Tel: Gen. 21 101 Telex Gen. 1776 Tel: Forex 26 771 Telex Forex 3503

A wholly owned subsidiary of Den norske Creditbank the largest commercial bank in Norway: the land of oil and hydro-electric powertoday important assets for growth-grow with us.

# Strong grip on bond market infrastructure

bourg's involvement in the marfor international bonds is different from that of London. Whereas the City has emerged as a centre where the telephone market in dollar bonds is concentrated, where syndicates for dollar issues are formed, and from where a world-wide sales effort in dollar issues can be mounted, Luxembourg supplies the underlying mechanics or "infrastrucure" which make the bond business possible.

Luxembourg's strong grip on a significant share of this busi-ness provides its banks with a happy stream of that risk-free service income which today's international banks are so eager to lay their hands on. It exercises this grip by providing a chain of services which is more or less complete and whose links lead on from one to the next.

.The first service is the listing. Eurobonds need to be listed on a stock exchange in order to be eligible for the maximum number of international investors. A listing implies that someone official has vetted the quality of the issue, and it provides the investor with (variable) re-assurance that there will always be a price for his investment should he wish to cash it in. Some countries for-bid their investors from buying uniisted securities.

The Luxembourg Stock Exchange has provided a conremient listing since- before in movable "stacks" reministrations were invented. Its costs are low and its information requirements are not onerous. As a result some 70 per cent of all international bonds are listed in Luxembourg.

This does not include issues evident that it is not surprising that the Fusionean Investment. denominated in Swiss francs and Deutsche Marks, where the Bank, Luxembourg's most imbanks have had increasingly to bourg franc issues, sold only to domestic financial communities portant supranational fund- look abroad to preserve their foreign investors (and the are just as aware of the value raising agency and the scourge bond-placing power. With the Belgian/Luxembourg bond of the listing as the Grand of the Eurobond market's fee market becoming dominated by funds) were tried in 1971 but

THE CHARACTER of Luxem- Duchy and prefer to keep the structure, has made a fuss investing institutions the banks bourg's involvement in the marbusiness to themselves.

Listing needs a listing agent and in Luxembourg this must be one of the Luxembourg banks officially recognised by the stock exchange. The bank demands a small flat fee of LFr 100,000 per issue but, much more importantly, can generally expect to be appointed paying agent the agent who pays out the interest on presentations of coupons and who finally redeems the bond on behalf of the borrower. The paying agent charges i per cent of the total value of coupons presented and

capital. These fees become doubly interesting if, as is usual, the paying agent is appointed the authorised depository for Cedel, one of the two clearing organisations in the inter-national bond market. Such an appointment makes it certain that a very large proportion of the bond certificates of the issue will remain in the paying agent's vaults. Not only will the bank be paid for this physical storage;

of coupon payment an in-house affair which can be performed in bulk with the minimum of mannower.

bank, one of the largest Luxem-

the storage will make the job

bourg banks, is an impressive sight. Several billion dollars worth of bonds are arranged venient listing since before in movable "stacks" reministhat the European Investment

Listing agent, paying agent, Cedel depository — the final link in the service chain, still under construction, is Eurex, the computerised international bond trading system developed by an ex-official of the stock article, it woulexchange. Designed from the on the way upstart to provide automatic As for both clearance through Cedel or the rival Euro-clear, Eurex will make it still more attractive for the investor to rely on com-puterised accounts and leave his bonds in easily handled blocks per cent of the final repayment in the Luxembourg vaults.

Apart from this specialisation in infrastructure Luxem-bourg's role in trading and placing international bonds has been rather dwarfed by its importance in the international banking market. Luxembourg's position in the Eurobond market 10 years ago may well have been larger, in relative terms, than it is today because the Luxembourg banks were able to serve the "Belgian dentist" and other European investors whose savings flowed so contentedly into Eurodoliar

### Dominant The bond vault at Krediet-

Kredietbank Luxembourgeoise is Luxembourg's dominant force in the business of floating inter-national bands. Mr. William van Mulders, the head of Kredietbank's securities section, describes how Krediethank could rely on its Belgian/Luxembourg placing power till the bear market of 1974 when Northern Europe lost its appetite for dollar investments.

Since then the Luxembourg banks have had increasingly to look abroad to preserve their

about the paying agency fees have, like London banks, and charged by the Luxembourg to develop a world-wide clientele. The problem is that there is no particular reason why such contact should be established out of Luxembourg: the country has yet to emerge as a centre for international fund management though, as we describe in a later article, it would appear to be

> As for bottowers, Luxembourg lacks major corporations but has the European Invest-ment Bank, with its prodigious appetite for funds, and is establishing increasing contact with borrowers around the world through its activity in the syndicated loan market.

> Luxembourg has found it difficult, however, to develop a currency alternative more attractive than the dollar. Issues denominated in the Swiss franc and the D-Mark tend to be deployed out of their respective countries, although Luxembourg bank subsidiaries can certainly play their part in the primary distribution of such bonds.

> In neither currency can public bond issues be managed out of Luxembourg. The German banking subsidiaries have issued DM-denominated private placements on occasion but this practice was recently stopped by the Bundesbank. In short German pressure has prevented Luxembourg from developing a corresponding importance in the DM-securities market as it has developed in the Euro-DM money market

Luxembourg/Belgian franc should in theory provide an acceptable denomination for international securities, particu-larly now that the currency is part of the EMS. Euro-Luxembourg franc issues, sold only to

the idea never really got off the ground. The offshore market in currency was too thin to make such issues adequately marketable without the support of Belgian/Luxembourg inves-tors. The small list of issuers also included two names. Reed International and Burmah Oil which subsequently subtracted from the appeal of this sector of the bond market.

So, in deploying their own currency, the Luxembourg banks are limited to their yearly ration of between LFr 5m and LFr 6m in foreign Luxembourg franc bonds allowed under a gentleman's agreement with the Belgian central bank. The Belgian authorities are not prepared to see their domestic coupon levels undermined by too large a quantity of such foreign bonds, whose coupons are free of Belgian withholding tax even though they are available to Belgian investors.

The quest for a currency alternative has made Invem-bourg banks the flag-bearers for issues in various composite currencies. The best known initiative is that of Kredietbank in issuing bonds denominated in in issuing bonds denominated in the European Unit of Account. There have now been many issues denominated in this composite currency but the concept has never quite become

self-sustaining.
According to Mr. Andre
Coussement, executive director
of Kredistbank Luxembourgequee, a composite currency needs three things to become established as a durable denomination for bond issuessponsors, official backing and an underlying money market. The EUA has the first, has lost the second—because it is no longer an EEC accounting unit—and has never ever had the third.

Nicholas Colchester-

# Rivalry of clearing systems

business of clearing inter-national bonds between Euroclear of Brussels and Cedel of Luxembourg is reminiscent of the competition between railways in the 19th century. The rivalry combines all the benefits of competition with all the nonsense of duplicated effort. Within each system com-puterised book-keeping has eliminated a large amount of paper-shuffling from the business of bearer bonds, but vanloads of certificates still have to shuttle to and fro to create the "bridge" which links the two systems.

An earlier article has already explained why Luxembourg banks have been able to benefit from providing a chain of trading.

services to the Eurobond Euro-clear has had the upper market: Cedel was conceived as a vital link in that chain. Of the \$23bn nominal worth of cause its links with a big and bonds now deposited in Cedel important U.S. bank allow it to intermational bond trading.

### Risk

Euro-clear, started by Morgan Guaranty Trust, was the pioneer in international bond clearing in 1968. It ended a situation in which trading houses in the Eurobond market often had to wait weeks or even months for the physical delivery of bonds, adding greatly to the uncertainty and cost of financing such dealing. Morgan took a pioneer's risk and it paid off handsomely: Cedel was founded because Morgan could not be allowed to keep such a profitable and influential game to itself.

Cedel was set up as a co-operative venture between a large number of international banks to provide a "neutral" clearing service which would provide Euro-clear with competition. Subsequent developments suggest strongly that this competition had some impact.

Since January, 1970, when Cedel got going, the price of clearing has been reduced seven times according to Cedel's management. A steady rise in trading volume helped make these reductions possible and it is, of course, impossible to state categorically that prices would not have fallen without Cedel's emergence

Two years after Cedel was The advantages which Cedel's founded Morgan divested itself management claim for their of ownership of Euro-clear and system, and which the London put it on to the same sort of office will be hoping to drive basis as Cedel to remove any home, are that Cedel is cheaper susplcious of conflict of interest in some areas than Euro-clear or concentration of benefit and that its centralised deposi-Nevertheless, Cedel's managing tories allows it to clip coupons director, Mr. Francois Toldalagi, closer to the payment date and manager, Mr. Gerard Sois- than Euro-clear. Cedal claims son, point out with relish the that the latter point helps operational links which still bind prevent confusion when bonds

deed, they make it obvious that even after almost 10 years of joint existence, the rivalry between the two systems is as healthy as ever.

Although there are now few major differences between the two systems Cedel is still having to play Avis to Euro-clear's Hertz Euro-clear currently has about \$29bn nominal of bonds on deposit, against Cedel's \$23bn, and Euro-clear's turnover to the end of August 1979 was \$66bn against Cedel's \$35bn. Euro-clear has the advantage of being the most popular clearing agency in the London market while this London market has steadily increased its domination of the dollar part of international bond

roughly \$20bn are physically in finance trading without compli-Luxembourg with their inter-national owners paying a fee for their safekeeping.

finance trading without compli-cation, and because its "fungible" approach to securi-ties clearing, where any bond certificate is interchangeable with any other, is consistent with Anglo-American practice.

Cedel, on the other hand, was set up along more Continental lines to cater for laws in some countries — Italy. France. Germany — which lay down that each bond must have a specific owner or that its whereabouts must be pin-pointed. To this end Cedel allocates all examples of a particular bond to a single depository, usually in Luxembourg, whereas Euroclear has an international net work of depositories.

The result is that Cedel appears to have an advantage in the clearing of non-dollar international bonds except where it runs into conflict with countries such as Switzerland which would rather profit from the handling of Swiss franc bonds themselves.

Cedel has recently taken steps to boost its presence in London. It asked a group of management consultants called Creative Business to carry out a poll of bond market operators in London and find out what conceptions and misconceptions were hindering Cedel's business there. As a result of this exer-cise Cedel has opened a representative office to improve its contact with customers.

THE COMPETITION in the Euro-clear to its founder. In are delivered out of the clearing the bond market's fundamensystem close to the coupon date. tals. Creative Business found Cedel cannot single out one Cedel's most important handiof its sponsor banks to provide cap to be in the provision of loans, either of bonds or of a counterpart to Morgan. In-

stead, a dealer can borrow from finance, to market-makers. Here Cedel for 48 hours but there-Euro-clear's close links with one after must negotiate terms for particular bank give it an direct funding with one of a advantage. All loans in what-ever currency made by Euro-match Euro-clear's ability to clear are backed by Morgan arrange loans of securities Cedel has had to set up a Guaranty and are made on terms which Morgan decides. Similarly, all loans of bonds system where a syndicate of banks led by Citibank provides. from one account to another the necessary guarantees. within Euro-clear are made with Morgan's guarantee. The

This manoeuvring to exploit or eliminate relatively small Euro-clear interest rate has differences between two sys-become established as one of tems appears symptomatic of

compatition at work. Neither participant shows the slightest sign of being ousted by the other and together Gedel and Euro-clear ensure that the business of clearing is not one of those areas of the Eurobond business where the customers are exerting a gradually increasing pressure for change.

But, as with those 19th century railways, the feature which prompts most adverse comment is the link between the two systems. The "bridge" is still inadequate and both Cedel and Euro-clear are working on it.

Nicholas Colchester

# **HYPOBANK** INTERNATIONAL S.A.

... Euromarket specialists in Luxembourg

> HYPOBANK INTERNATIONAL S.A. is a wholly-owned subsidiary of Bayerische Hypotheken- und Wechsel-Bank (Hypo-Bank) in Munich, West Germany's oldest publicly-owned bank and one of its largest with consolidated assets of more than DM 65 billion.

Operating in Luxembourg since 1972, we are engaged in all major Euro-currency activities. Our capabilities include international financings through short and medium term loans, foreign exchange dealing, money market transactions, import-export

financing, and securities trading. Over the past seven years, we have consistently strengthened our market position. Total assets in 1978 reached Lfrs. 56 billion (US\$1.9 billion) as compared with Lfrs. 41 billion

(US\$1.4 billion) in 1977. Earnings grew at a corresponding pace. Net profit in 1978 increased to Lfrs. 200 million (US\$7 million). Capital and reserves exceed Lfrs. 1.6 billion (US\$57 million).

37, bd du Prince Henri Case postale 453 Telephone: 4775-1 Telex: 1505 hypoblu INTERNA 2628 hypfx lu LUXEMBOURG

# Eurex: push-button trading

EUREX IS the latest example of an initiative based in Luxem-bourg and aimed at developing the "infrastructure" of the international bond market. It is an ambitiously conceived company in 1977. Some 33 banks agreed to buy shares: they banks agreed to buy shares: th icrnational bond market. It is an ambitiously conceived computerised bond trading system, and if it succeeds it will undoubtedly add to Luxembourg's stature not as a place for trading international bonds, because Eurex participants can trade and entertain each other almost anywhere, but as an administrative centre of the international capi-

The essence of the system is that it silently matches the resellers with the best prices offered by market-makers. Havoffered by market-makers. Having asked the participants permission to continue with its suggested deals, it then clears the transactions by informing the clearing system by informing the clearing system of the clear in the cle the clearing system of the deals and automatically printing out confirmation slips for the par-

Finally, Eurex updates the private computerised book of the market-makers involved. The flat fee for all this is L.Fr 200 (£3) per trade, charged to both buyer and seller.

In the course of this matching and trading the system can build up a formidable amount of information about the state of the market. In suitably laundered form this will be the information available to Eurex participants: the current average market price for each bond, the highs and lows on the previous day it was traded, yields, indications of trading volume, perhaps even indices, and all the essential details about each bond traded on the

machine. Computerised trading and to devise an automated.

centre of the international capi-tal market. rather threatening development will be launched is therefore not a happy one.

Eurex's designers quirements of bond buyers and cleverly made allowance for initial scepticism by organising the telephone in the established

> The price to deliver contract notes and clearing instructions (and to update each user's position display) is BFr 80 (£1.20) a time. The Eurex manage-ment is reckoning on at least 250 telephone trades being cleared in this way every day, whatever happens to proper Eurex-style trading, when the system finally gets going sometime in October.

Eurex was conceived by Mr. Henri Grisius, an official with the Luxembourg Stock Exchange, in 1973. In the particular patory style which is the hall-mark of Cedel, Mr. Grisius invited a great number of international banks to chip in As with so many other developments in this age of mer of 1973 from 69 banks, "the critical each of which was ready to described whether the machine can work machine. Computerised trading and to devise an automated in their respective currencies at home and off the contribute \$1,000 to pay a small to make the machine can work and to devise an automated tradecommunications network it.

banks agreed to buy shares: they were allowed to buy between three and eight shares; each at a price of L.Fr 200,000, in order covered the LFr 20m needed to sign a three-year contract with IBM to develop the detailed software for the trading, deal-con-firmation, and information firmation, system.

The selling of Eurex to potential users has now been going on for about nine months and has clearly been hard work. Doggedly persistent rather than inspirational, Henri Grisius and his team of seven have assembled what they claim to be 79 firm agreements to participate in Eurex of which only about one-third have currently had on-line equipment installed

At the moment there are 12 market makers. A number of big names which are conspicuously absent from the list, but Henri Grisius is reassured by the thought that "even with Euro-clear it was not the big banks which joined first"

The initial line up of particlants is oriented heavily towards trading in dollar bonds and in the currencies which play a relatively small role in the Eurobond markets. It is apparent that if the big Swiss and German banks are repre-sented on the list of participants it is through their subsidiaries abroad. The inference is that both these countries are anxious

have to pay for the leased equip-ment they need in their offices. The full set-up needed by a market-maker - comprising a to keep the ownership diffuse.

Eurex raised an initial capital of L.Fr 30m. This handsomely LFr 50,000-120,000 (£770-£1,800) a month.

> A participant who wants only to buy and sell on the Eurex market needs only a fast type-writer terminal which costs LFr 20,000 a month. He uses

has made the necessary arrange-

Users can also trade on Eurex over the telex—this is currently the only way Eurex can be hooked up with Hong Kong, for instance—but the process is a leisurely one and the user has the pay the line costs for this. to pay the line costs for this.

Henri Grisius maintains that Eurex will go live in October. But complex computerised com-

after having already faced the indignation of market-makers, convinced that human contact down the phone is indispensable to bond-trading judgment, Henri

Grisius and his team must now face many months of indignation at broken lines, flaws in "software," and terminals which refuse to understand faulty instructions in the heat

Nicholas Colchester

A NEW NAME IN LUXEMBOURG DEALING IN ALL FINANCIAL OPERATIONS

### BANK HANDLOWY INTERNATIONAL S.A., **LUXEMBOURG**

Capital:

Authorised 350 Million Lux Frs. Paid up 250 Million Lux Frs.

Chief Shareholders: Bank Handlowy w. Warszawie S.A., Warsaw Narodowy Bank Polski, Warsaw Bank PKO S.A., Warsaw Mitteleuropaische Handelsbank A.G., Frankfurt/Main

Address: 22-24 Bd. Royal, Luxembourg Telephone: 475681-85, 47204-9 (Dealers) Telex: 3567 BHILU, 3568 BHILU (Dealers)

# Scandinavian banks arrive

but over the past few years they and the long-established Belgian still run modest operations from name-plates on the Rue Royale but their growth testifies to the

After the Germans, the first were the Americans. experience has not been entirely happy and their numbers have sagged to 13 from 17 in the peak years of 1973 and 1974, Mr. Patrick L Cunning ham, managing director of Bank of America International, admits that the position of U.S. banks in Luxembourg is "a mess" and other bankers bear out his view.

Luxembourg partly with the intention of conducting local banking and partly to see whether international lending could be managed from there. The local business proved too small to justify the cost of an office and international business could be done more easily and often more cheaply from

Fargo. Mr. Alan Holroyde, managing director of Wells Fargo Limited in London, said the decision was part of the bank's consolidation of all European, African and Middle East activities in London. The bank's international operations were moved out in January 1978. and it was later decided that the residual local husiness was insufficient to maintain a presence there.

Mr. Holroyde also noted that the fall of the dollar has created problems for dollar-based banks doing business in Europe. The withdrawal of Wells Fargo was particularly significant as it was the first U.S. bank to establish a beach-head in the Duchy.

corporate tax rates, does not offer the advantages of an offoffer the advantages of an off-shore centre like Nassau, or of an independent international fast in the future as they have

although the carrot is reported to have been less the banking opportunities than Luxem-less attractive for the Scanding of the Scanding opportunities with Brazil. Another series with series attractive for the Scanding of the Scanding of the Scanding opportunities with Brazil. Another series reserve remitments in the Bene-level of the Scanding opportunities of the

Mr. Geoffrey Bell, the bank's to conduct a portion of Euro-

operating in Luxembourg. The the reason for coming was heavyweights among them are partly diplomatic. Europeanstill German (they account for the top five places in the list) bank in London and did not want to make its European and the long-established Belgian debut by treading on some banks have been joined by a cone's toes. Mr. Bell says the fluod of others from all corners bank will service the European of the globe. Many of them subsidiaries of U.S. clients, concentrating on money and offices hidden behind discreet foreign exchange market dealing, as well as extending the bank's foreign exchange development of Luxembourg as advisory scheme. Some local a genuinely international bank- funding is also a possibility eventually.

If the American banks have banks to arrive in any strength on the whole been getting cold Their feet about Luxembourg, the been same cannot be said for the Scandinavians who now

### Counterweight

There are now 14 Scandinavian banks; most have arrived since 1976. They have been given a warm welcome as they emphasise the international development of the Duchy and, in particular, pro-vide a counterweight to the

Basically, however, they confine themselves to business on behalf of clients at home and use Luxembourg to avoid domestic credit ceilings. All Scandinavian countries are now net Euromarket borrowers, so The latest bank to go is Wells the banks are not in a strong position to lend in the syndicated loan market.

Mr. Ole H. Aamodt, managing director of Den norske Credit-bank, says that 70 to 80 per cent of his loan portfolio is made up of Norwegian-related risk, with a similar proportion of corporate deposits being essentially Norwegian. This is partly a reflection of official Norwegian policy, which ties in with its strategy of financing investment from abroad investment from abroad.

The Scandinavian presence in the money and foreign exchange markets is largely confined to client business. Their interests are, therefore, fairly specialised and Mr. Aamodt believes the influx is a largely to the influx is a largely special sed and Mr. Many U.S. houses have found almost over, though some that Luxembourg, with its high Swedish regional banks may find it worthwhite coming to Luxembourg. Nor are the an independent international tast in the factor as they have market like London. None the less, other banks are coming to fill some of the gaps.

Manufacturers Hanover will bank) is reached within a few

irealy with Brazil. Another years reserve requirements in bank, European-American, has horway and Sweden have been just opened a branch there.

Mr. Genfrey Roll the banks

THERE ARE now 108 banks general manager, admits that market business for domestic the Duchy's appeal. Mr. Aamodt believes tarnish Swedish banks at least could compensate by playing an increasingly international role. Swiss banks are another

group hwich have been making their presence felt (there are six banks in the Duchy), but their role is almost entirely different from that of the Nerwegians or Americans. Domestic restrictions on international capital transactions in 1977 per suaded the Swiss to collect surplus liquidity in Luxembourg, in the form of shortterm deposits, and then use the funds to supply the money mar-ket there. According to Mr. Walter Kobel, director of Union de Banques Suisses (Luxembourg), money market trans-actions comprise around 90 per cent of the business volume of Swiss banks in Luxembourg. He is also the first to admit that the political and economic stability of the country is a major attraction for the cautious Swiss.

Luxembourg also has its appeal for Italian banks, which take in lira deposits and are fairly active traders. The volume of business they conduct is fairly small, however, and parent bank control is tight Japanese banks also maintain a presence in Luxembourg though, like the Americans. they find little to do there that cannot be done from London.

Conspicuous among recent arrivals have been countries making their first sortie to Luxembourg. The first British bank to be represented here is Warburgs, through Banques S. G. Warburg Etcev.

Its arrival is unlikely to herald a British invasion, how-ever. The bank is a consortium which also includes Bank Leu of Zurich and Effectenbank Warburg of Frankfurt, both of which need to be in Luxembours to service domestic clients. Like the Dutch in the Antilles, the British have their own market

in London. Another bank which has just set up shop is Bank of China. The office is the first to be opened outside China since the revolution of 1949. Mr. Wn Ming-Hsin, the assistant manager, says Luxembourg's location was a major factor. The country has good communications and is also an excellent centre for the EEC. The bank has so far con-centrated its activities on the inter-bank money market (and

John Makinson



DGZ International in Luxembourg continues to strengthen its position in the Euromarket after 8 years of steady growth.

Total assets rose by 10.6% in 1978/79. aggregating DM 4.25 billion.

A skilled team of experts specializes in money market activities and related credit business, primarily with shortterm funds.

Foreign exchange dealings in connection with international financial operations complement DGZ's role in the Euromarket.

The Bank's clients range from the industrial sector to other credit institutions and government bodies.

DGZ International is a wholly-owned subsidiary of one of Germany's major

wholesale banks, the Frankfurt-based Deutsche Girozentrale – Deutsche Kommunalbank -, the member institute on the federal level of Germany's Savings Banks Organization.

### Financial Highlights 1978 Lifts million

1 marional Luguella To 1	<u> </u>
Total Assets	68,186
Liquid Assets	8,118
Balances with Banks and	-
Financial Institutions	28,965
Advances	16,901
Securities	12,350
Liabilities to Banks and	
Financial Institutions	59,575
Other Liabilities	5,561

For more information about DGZ International just get in touch with us.

2,849

Capital and Reserves



### Deutsche Girozentrale International S.A.

16, Boulevard Royal, P.O. Box 19, R. C. Luxembourg B 9462, Luxembourg-Ville, Telephone: 42471, Telex: 2257 and 2607



# A local big lender

European Investment Bank are located between the city of Luxembourg's banking com-munity, on the opposite side of the river, and the cluster of other EEC buildings on the Kirchberg behind it.

This may be a geographical accident (and the EIB will soon be moving into brand new Kirchberg premises) but it Kirchberg premises) but It neatly sums up the bank's role in the city. On the one hand, it is among the largest—and most imnovative—borrowers from the commercial banks represented in the Grand Duchy. On the other, it is the EEC's main lending arm a presenting from a state ing arm, operating from a state which has always played a major role in the European

The EIB took up residence in 1968 as compensation for the removal of the European Coal and Steel Community to

The bank was established 21 years ago under the provisions of the Treaty of Rome to operate as a non-profit-making body. Its purpose was to provide loans and guarantees in the following

o projects for developing lessdeveloped areas;

projects for modernising industry or converting plants;

 projects of common interest to several member States.
 The EIB traditionally has concentrated on the first of these functions, notably the financing of projects in Southern Italy and in the UK and Ireland since their accession to the Community. More recently, however, it has expanded its lending for projects of common interest" most of which are infrastructural in nature: communications and, increasingly, energy.

Last year, for example, energy loans accounted for 37 per cent of EIB loans provided within the Community; transport and telecommunications for 32 per cent water schemes (of which the UK is a principal beneficiary) for 18 per cent; and other credits — industry, agriculture and services—for 18 per cent. EIB policy is formulated by

its nine governors, who are generally finance or economic Ministers of member states. There is also a board of directors and a management committee, which makes day-to-day decisions about the bank's operations. Member states contribute proportionately to the EIB's capital, which is denominated in units of account and was doubled last year to 7.1bn ua (\$9.8bn). The bank's statute provides that loans and guarantees must not total more than 250 per cent of subscribed

from the figure of 2.8bn ex- countries, and to Turkey, are

THE HEADQUARTERS of the tended for the whole period growing rapidly in anticipation to borrow a broad base of curbetween 1958 and 1972.

According to M. Yves Le Portz, the bank's president, lending this year under existing arrangements will be 20 to 30 per cent above 1978 levels. Because of the difficulty of forecasting completion dates for loans, and loan demand itself, M. Le Portz is reluctant to be drawn into giving precise esti-mates for this year or next. The recent growth in EIB

activities is partly a reflection.
of the enlargement of the Community itself. The UK and ireland are both now heavy borrowers. Furthermore, the continuing regional discrepancies within the EEC have led the bank, with the encourage-ment of Brussels, to intensify its efforts in this direction. The increase in projects of common interest has also contributed to the expansion, and the steep rise in oil prices has added an air of urgency to the bank's

interests in the energy field. M. Le Portz says that EIB lending on energy projects is already ahead of the total for last year, but that the bank would like to be still more active if the opportunities arose. He would also prefer to be doing more for manufacturing industry, but loan demand in this area is slack and the EIB's credit terms have until now been dictated by the market. High international interest rates are therefore a problem.

### Independence

Two other developments have helped to swell the balance sheet. First, the bank has become increasingly involved in lending to countries outside the EEC. These fall into two broad groups: African, Caribbean and Pacific (ACP) states which were signatories to the Yaounda and Lome agreements; and Mediterranean countries bordering the

ACP countries have The mostly attained their independence since the framing of the Treaty of Rome, which made provision for aiding newlydependent countries. economic difficulties of many ACP states have been exacer-bated by the oil crisis and the bank's credits have been stepped up accordingly—with an eye to the countries' importance as suppliers of raw materials. The bank very occasionally takes equity stakes as part of its funding operations in this area.

The group of Mediterranean countries eligible for EIB loans has been growing and bene-ficiaries now include Lebanon and Yugoslavia. According to M. The doubling of capital Ports, however, there are no testifies to the recent acceleration in the bank's operations.

Loans provided last year amounted to 2.19bn us (\$3bn), the imminent accession of Spain the imminent accession of Spain the imminent accession of Spain amounted to 2.19bn ua (\$3bn), the imminent accession of Spain tive in the funding side of its an increase of 39 per cent over—and later Greece and Portugal operations as in its lending. This the previous year and not far—to the EEC. Credits to these is partly making a virtue out

of the still greater divergence in rencies in order to match its regional wealth which their loan side. The bank was theremembership will engender.

Lending to non-EEC countries so far this year is already far ahead of the total for 1978, when it accounted for about 10 per cent of overall credit volume. Although the EIB has never experienced a bad debt (any failures have been covered by guarantees), it is conscious of the need to protect its "AAA" rating in the capital markets and would be reluctant to lend too extensively in "risk" areas.

The other major, and more recent development, in EIB lending has been its use of national agencies to "on-lend." In this way, it can reach small and medium-sized enterprises, leaving analysis of any project to the local authority. Apart from extending the scope of EIB operations, this system also creates proportionately more jobs than would be the case for a major credit.

Under the terms of the scheme, the EIB makes a sum available to an intermediary, which then sub-divides the amount into smaller parcels down to a minimum of 25,000 units of account. The loans may finance as much as 50 per cent of fixed investment costs up to a maximum of 4m ua. The system was introduced in 1968 and since then more than 1,000 credits have been made available, many of them to the

Prof. Richard Ross, British representative on the EIB's Board of directors, says change of Government in the UK has not had any effect so far on lending in the country.

Since regional credits are extended exclusively to depressed areas, however, he accepts that the Conservative Government's decision to reduce the extent of these regions over a transitional period may have some impact eventually.

A problem with the scheme, highlighted by the case of the UK, is the reluctance of borrowers to accept exchange risk of loans denominated in foreign currencies. Because the EIB loan portfolio is determined by the way it raises money (which owing to the capital market structure must be to a great extent in dollars) foreign currency land-ing is inevitable. Understandably enough, national governments are often hesitant about taking over the exchange risks themselves. The European Monetary System may help, nonetheless, to mitigate the problem by limiting fluctuations at least between European

countries. The EIB has been as innovanecessity since it is obliged fore among the first to float issues on the international capital markets in, for example.

sterling and guilders. The innovative spirit extends to its methods and instruments of borrowing. In July of this year the bank went to the Eurobond market to raise between \$100m and \$150m. The unusual feature of the issue was that the bank did so through a public

### Auction

Its decision to raise money through a competitive auction (and then publish the results) met with criticism in some areas of the banking community but M. Le Portz defends the many Le Portz defends the move by saying that the normal system is not tailored to the borrower. He also notes that this method has been used by the bank before on a more limited basis and points to the success of the issue on the secondary market.

Two other new practices are currently being introduced by the bank. One is a special facility of 1bn UA borrowed directly by the EEC and passed on to the EIB for allocation. An initial 500m UA tranche of this facility. known as the New Community Instrument. has already been authorised and the bank is in the process of allocating the first loans to be drawn from it.

The background to the facility is largely political—emphasising the EEC's direct involvement in community financing -- but M. Le Portz also hopes that banks which are already brimming with EIB paper, will welcome paper issued in the EEC's name. The second new idea to be introduced is the subsidised in-terest rate. As a concession to the less-prosperous countries joining the EMS, namely Ireland and Italy, the EEC has agreed to provide through the EIB a 3

per cent interest subsidy on cer-tain loans, totalling 1bn UA per annum over five years. The sub-sidy will be met from the Community budget. It is certain, however, that the EIB will continue to expand activities, limited only by the demand for credit, the cap-acity of the capital markets to

absorb its paper and the ceilings imposed by its capital (M.

Le Portz does not expect the present celling to be reached before the beginning of 1982). Other, more giorious roles have occasionally been imagined for the EIS—notably that of a European central bank. M. Le Portz does not see this as the EIB's role and, given the bank's rapid growth he probably has enough on his plate matching money in a traditional banking

John Makinson

# Bayerische Vereinsbar one of Germany's major banks reports:

Bayerische Vereinsbank Group 30.6.79

(all figures in billion DM)

first Danish bank to open full branch

So, when it comes to doing business

in Denmark, let Privatbanken be your

associates in major financial centres

network of correspondent banks.

multiplied into several 1's. But it's

New York: 450, Park Avenue, New York, NY 10022 Telephone: (212) 7596121

United International Bank Limited, London

Privatbanken international (Denmark) S.A., Luxembourg

MEMBER OF THE INTER-ALPHA GROUP OF BANKS.

Wholly owned subsidiaries

still easy to remember. Call us!

throughout the world and an extensive

With time, our telephone number has

in New York and Cayman Islands.

We have representatives and

No.1 contact.

**PRIVAT**banken

**Total Assets** 

Privatbanken was the first telephone

phone number - No. 1 - wasn't hard to

Danish telephone system and a great

We were the first to introduce the per-

subscriber in Denmark so our tele-

remember. In fact, we founded the

many other important companies.

We were also the first commercial

sonal banking system in Denmark,

subsidiary in Luxembourg, and the

Head Office: 4, Bersgade, DK 1249 Copenhagen K

Telegrams: PRIVATBANK, Telex: 27196

Postal address: P.O. Box 1000, DK 2400 Copenhagen NV Telephone: +45 1 11 11 11

the first Danish bank to open a

bank in Copenhagen.

Branchas all over Denmark.

Due to Customers Due from Customers

**Bonds Issued** 

Mortgage and Public Authority Loans

Capital Resources

Head Office International Division Kardinal-Faulhaber-Strasse 1 D-8000 München 2 Telephone: (089) 2132-1 Telex: 529921 bymd SWIFT: BVBE DE MM

INTERNATIONAL S.A., Luxembourg 17, Rue des Bains Boîte Postale 481 Luxembourg Telephone: 428611 Telex: 2652 byi in

BAYERISCHE VEREINSBANK BAYERISCHE VEREINSBANK UNION BANK OF BAYARIA (Bayerische Vereinsbank) New York Branch 430, Park Avenue New York N.Y. 10022, USA Telephone: (212) 758-4664 Telex: 62 850 ubb uw



# Portfolio business soars

service that banks accord to major personal fortunes or to corporate customers, remains a predominantly Swiss business services. In that case, the cusbut one where Luxembourg has emerged as a potential rival. As a British benker who has been watching the situation from the wideling of Russels remarked.

The volume of this business, sidelines of Brussels remarked: "The Luxembourg banks are No. 2, and they are trying harder." It is not only Luxembourg's snowballing importance in the

Euromarket that has brought such Swiss giants as the Union Bank of Switzerland or the Swiss Banking Corporation to the Grand Duchy. According to other international banks now active in Luxembourg, the Swiss are concerned to safeguard as much of their lucrative portfolio management business as they

For the growth in the Luxembourg banks' portfolio business stems from conditions in Switzerland itself. The Swiss banks have developed obvious weaknesses, and some that are not so obvious but are nevertheless very important. The obvious ones range from poorer service and higher costs in Switzerland as compared with competitive Luxembourg Banking services in the smaller Swiss towns are still reckoned to be excellent, but in the major centres customer relations are often judged to have become impersonal and inefficient, "We have numbered accounts, and are treated only as numbers," complained one dissatisfied client not long ago when moving his business from Switzer-land to Luxembourg.

### **Options**

The key weakness that the Luxembourg banks are now beginning to exploit is a much less obvious one. It is, they say, the Swiss practice of placing investors' funds outside Switzer-land in order to avoid local withholding taxes. Clients frequently do not know where their money is.

Luxembourg bankers point out that Swiss banks offer investors two main options. deposits can amount to a penal 35 per cent. Alternatively, they can choose the banks' fiduciary

which the Swiss banks' cus-tomers frequently opt for, is naturally impossible to calculate. But some of the Luxembourg Euro-banks which accept these funds that are ostensibly Swiss banks' deposits estimate that "hundreds of millions of D-Marks, if not billions," have been funnelled out of Switzerland on to the Luxembourg

### Commission

At first sight the practice might appear satisfactory to all concerned. The Luxembourg Euro-banks point out, however, that not only do these fiduciary funds yield less than the inter-bank rate, but that the Swiss banks naturally charge a yearly fiduciary commission that varies between ‡ and ‡ per cent. In short, investors would do better, it is claimed, to go straight to Luxembourg and receive the same rate of interest without having to pay Swiss charges.

Investment management is now estimated in Luxembourg to be growing very rapidly in volume, and not only because of the attempts being made to attract business away from Switzerland. The major West German banks, which account for rather more than half of foreign banks' activity in Luxembourg, have also brought custom with them. Because the Euro-banks recognise that their inter-bank and money market business is only accidentally based in tiny Luxembourg — access to the Euromarket being little different to access to a telephone — there has been a deliberate policy of developing investment services that will make Luxembourg a more subfirmly-rooted stantial and

financial centre. Arab investors were in the Either clients may deposit their vanguard of those who trans-funds, which then become sub-ject to withholding tax which Luxembourg. Originally active

in the case of Swiss franc in West Germany, many of them also offers a competitive array became concerned when the Bonn Government established increasingly close diplomatic relations with Israel, and switched their holdings to West German banks operating in the Grand Duchy. Another factor that prompted West German investors to favour Luxembourg was the latest Swiss-German double taxation agreement, which raised doubts over Swiss banking secrecy by granting officialdom greater access to in-formation in certain circum-

> Luxembourg nowadays stresses that its numbered accounts offer greater secrecy than do those of Switzerland. It

of currency and interest rate arbitrage skills, although little in the way of equity management. Above all, perhaps, the Luxembourg-based banks are free to adjust their changes as mined to continue undercutting their Swiss competitors. They have a long way to go, of course. before they seriously erode S:vitzerland's lead in the field. But it is perhaps more than a straw in the wind that Dresdner Bank International, calculates that almost 25 per cent of its balance sheet is made up of investment funds.

Giles Merritt

Westing.

### Banque Nordeurope S.A.

### **Your Partner** for Euro-Finance in the Nordic Countries

Shareholders: Fællesbanken for Danmarks Sparekasser A/S, Copenhagen Union Bank of Norway Ltd.; Oslo Sparbankernas Bank AB, Stockholm Skopbank, Helsinki Girozentrale und Bank der österreichischen Sparkassen A.G., Vienna WestLB International S.A., Luxembourg

## Banque Nordeurope S.A.

47, boulevard Royal, Luxembourg Telephone: 27696, Telex: 1771

POLITICS TODAY

# Liberal revivals: three steps forward, two back

being debated in Margate. It is clear that that is what they are much more an assumption that beginning to talk about. They being debated in Margate. It is growth in the future, if it takes are discussing how to achieve place at all, will be severely limited.

are discussing how to achieve a fair and tolerant — or, if you like, a liberal — society within

The assumption may wrong, but if it is correct the question for a political party is what to do about it. How is it possible to adapt to reduced circumstances and to avoid what has been called the revolution of falling expectations? In Britain the no or low

growth assumption is probably right, at any rate if one extra-polates from the past. It is not just the energy crisis or what the ecologists describe as the finite nature of the world's resources that are holding us back. We have been a low growth country for a long time. What is new is the dawning realisation that we cannot go on behaving as if we are not. All three main political parties now seem to be aware of this in their different ways. The rationale for Mrs. Thatcher's expenditure cuts is that public spending must be brought within our means. Economic growth may follow both from that and from various other Tory measures, but the

it will automatically. Labour's organisational problems and power struggles apart, the real argument in the Labour Party is about how to achieve socialist or even social democrat aims if the economy does of three steps forward, two not grow fast enough to pay for steps back: at least it does if them. In other words, if the you chart the progress from

Government does not claim that

the base of existing resources. Of course, the Liberals have not yet found an answer and they are not without their own internal divisions. Yet it does seem a reasonable supposition that the problem of reconciling low growth with old politica ideals will remain on the So much for the philosophy

national agenda for some years to come. In that case, Liberals are in at the start. How else are the Liberals faring and, more to the point, will they be in at the finish, by which is meant the next general election?

'Void' theory

They are, in good heart. The theory of Mr. David Steel, the party Leader, is that there is now a void in British politics created by Mrs. Thatcher moving the Tory Party to the Right and by the dissensions within the Labour Party. It is the natural function of the Liberals to fill it. Mr. Steel is going for a Liberal revival that

On the face of it, there is a good deal in his favour. As the accompanying table suggests, the Liberal Party tends very broadly to advance by a proces cake will not expand, it comes about the mid-1950s. The back to redistribution.

It is the same with the Steel believes, has its origins in

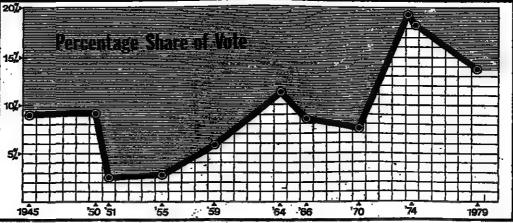
the Liberal Party Assembly in Margate this week, and one suspects of present day British politics, is economic growth, or rather the lack of it. It is not so much whether or not growth is desirable, though that too is being debated in Margate It is learn that that is what they are position. At the party is now poised for another advance. It is being debated in Margate It is clear that that is what they are proceeding to this rough and according to this rough and compassion with ready formula, the party is now poised for another advance. It is often crossed the lips, but it is —by Liberal standards—in a being debated in Margate It is clear that that is what they are proceeding to this rough and according to this rough and ready formula, the party is now poised for another advance. It is often crossed the lips, but it is —by Liberal standards—in a point of this week towards finding a way of reconciling the old values of according to this rough and to poised for another advance. It is often crossed the lips, but it is —by Liberal standards—in a point of the condition of the process of th reasonably strong position. the same time, many of its internal quarrels are over. There is no threat to the leader-ship and Mr. Steel himself seems to be a distinctly popular figure in the country. The party's finances have been put in order and the Thorpe affair is being forgotten. Not least, the Liberals are now entrenched in local government, even if the geographical pattern is patchy. The district election results in May this year were the best they have achieved since 1973. It is therefore a matter of

> exploiting this position. If Mr. Steel has his way, there will be no great changes in policy, but only a constant process of adaptation to new circumstances. The organisation will be further improved with the emphasis on local elections and by-elections. There does not at the moment appear to be any particular idea of singling out certain kinds of seats as typically Liberal: the campaign will be nationwide, though a special task force will be thrown in wherever a byelection takes place. (Manchester Central, where a by-election was held yesterday, was regarded as an unfortunate starter: the Liberal perform-ance in the general election there was about the worst in the country.)

Those are the plus points. There are also a few minuses. In the first place, apart from Mr. Steel, the party is now desperately short of nationally known figures. This is particularly so since Mr. John Pardoe was fluent, original and own gratification, neither mixes grows, there are many Liberals lost his seat in the election. Mr. generally respected. It is metaphors nor splits infinitives, who will want to take the lead Grimond is getting on and is difficult to see Mr. Richard It was clear from the reaction in the anti-nuclear campaign. At increasingly tied up with the Wainwright, his successor, in to him that a number of present, party policy is con-It is the same with the Steel believes, has its origins in Grimond is getting on and is Liberals. The party is groping 1956, the year in which Mr. Jo increasingly tied up with the

1951 1955 1959 1964 1966, 1970 1974 1974 1979 Lost deposits 184 2.3 125 304

LIBERALS AND GENERAL ELECTIONS 1945-79



problems of Orkney and Shetland. Mr. Cyril Smith is well known for his size and Mr. Clement Freud for his broadcasting, but they are hardly seen as national political leaders. It is going to be a question of bringing on such figures as Mr. David Alton, Mr. Alan Beith and Mr. David Penhaligon, if the Liberal Party is not to appear as a one man band at

Mr. Pardoe's departure, which one hopes will be temporary, may also have created something of a policy gap. As the party's economic spokesman, he

the national level.

There is a problem, too. in that the Tories have already intro-duced some of the Liberals' ideas: on taxation, for example, Moreover, if there is a policy gap on economics, it comes at

a time when the party is under challenge from another direc-tion. The challenge comes from the ecologists, both within and without. The Liberals actually invited Mr. Jonathan Porritt, the Ecology Party leader, to Margate this week to address a teach-in.

Mr. Porritt is an exceedingly articulate speaker, who, to one's

anything like the same light. Liberals are already leaning towards his party, while yet others are seeking to make ecology the main plank in the Liberal platform. It is one of the fears of Mr. Steel that the Liberals will become identified with the "econuts." The example of West Germany is borne in mind where the Liberal Free Democrats have lost votes to the "green parties."

A great deal will depend on what happens to the antinuclear movement in Britain. If the Government goes ahead fast with plans to expand nuclear power, and the opposition to it

until there are greater assurances about safety, but it is an issue on which more could be Holme floats the idea of an in-heard and on which some comes range of between one and Liberal support could be lost a factor of five or six. to the ecologists.

It seems to me, however, that real doubt about a sustained Liberal revival is somewhat different. Mr. Steel may be right about the void in the middle ground of British politics today, but one cannot easily imagine that either of the big parties will be foolish enough to allow it to exist for long. In particular, one would expect that they would them-selves move back to the middle ground if the Liberals set off on a pattern of by-election successes. It is therefore tempting to predict that there will be a Liberal revival over the next two years or so, but that it will have peaked well before the general election approaches, Certainly that is what some Liberal MPs already fear. In the end it will be a question of the Liberals not having enough resources and not commanding

the big battalions. In this context it is worth noting how some Liberals and some social democrats in the Labour Party are already thinkfew days bring this out. One is by Mr. Giles Radice, the Labour MP for Chester-le-Street, and is called "Community Socialism." is drawing on the Liberal affected Labour voters. But they development of community should beware of assuming that politics: for instance, by setting they will continue to have the local interests and local Issues. The pamphlet also discusses redistribution. Mr. Radice suggests that it might be possible to establish a ratio of around seven or eight to one between top and average earnings before

The Liberal pamphlet† is by Mr. Richard Holme, the party's probable President-elect. Mr.

Apart from noting that the Liberal vision of the future appears to be considerably more egalitarian than that of the right wing of the Labour Party. may be worth adding that the extremely well-equipped Swedish trade union movement has been working solidly on egalitarianism for nearly a decade and has still not come up with an answer.

### Gamble remains

Yet it remains interesting to find Liberals and social democrats thinking along the same lines. The idea at least, if not Mr. Holme's suggested ratio, has Mr. Steel's blessing. It is one of the subjects on which he hopes Mr. Pardoe can continue to work, despite his absence from Parliament.

In the end it remains a gamble, Mrs. Thatcher's government, after all has yet show that it will inevitably fall to turn Britain round. Yet if low or no growth is to be the ing alike about the future. Two pattern, the Liberals at least are pamphlets published in the last thinking about the consequences. In the past, Liberal revivals have tended to stem from Tory disaffection during periods Conservative rule. The title itself is revealing in Liberals now hope that they can that it shows the way the author draw at least equally from disout to win votes by stressing middle ground entirely to them-

> \* Fabian Tract 464, Fabian Society, price 65p. † 1984, The Real Alternative, Liberal Publication Department, price 50p.

Malcolm Rutherford

### Letters to the Editor

# productivity

From the General Manager, Robert Hutchison and Co. Sir.-I have been astonished recently by the views expressed by the CBI on wage claims and more bankrupt African states productivity, and it is depressing to find them shared by you their compensation money. in your leader (September 20) on "The high cost of inflation."

panies should pay more and unsuccessful ones less. The practical arguments against this Nerquis, Mold, Cluyd' idea are overwhelming. Every manager in industry knows that, participation are made, hourly paid workers are just not in the job to share the risks of their From Mr. N. Wilson kers with greater or more mar- so wasted daily? ketable skills leaving a company which might be in only tem-porary straits, and thereby a Worthing lecture on Septem-Once having dropped behind in otherwise be flared cannot be the payment league, an reinjected into oil reservoirs to employer could never attract the better quality of labour it might

any way that they accept the principle of earnings being related to success: the very 26 per cent claim by BL workers, plished. proves the point. The real issue which unions and workers are 23. Harrey Road. concerned with is getting the Worthing, West Sussex. best rate for the job, and any-thing worse than the rate paid for similar jobs in the same area or industry is just not going to be accepted. If a company can't pay the going rate for labour it won't get labour, and just because it is doing badly, there is no reason for it to get labour on the cheap any more than fuel or other materials. Equally, if a company is doing well, there is no reason why it should affect its competitive position by paying more than the going rate. That surely is the basis on which employers should negotiate.

If the CBI and others in their ivory towers wish to take issue on points of principle, why don't they have a go at the spurious "productivity" deals which turn up year after year in the same industries. The practice under which, especially in periods of general wage restraint, some workers are paid extra simply to do their job, is repugnant and wholly unfair to the mass of employees in companies such as the one in which I work, who do a fair days work as a matter of course. W. J. Turcan.

### Robert Butchison and Co., East Bridge, Kirkealdy. HMkbg lt.t Confiscation by

the state From Mr. A. Furse trustees of the NCB and BR Sir.—As liquidator of a small investment holding company put I would also remind Mr. Shucksmith that "A collective into voluntary liquidation in September, 1977, I was obliged to lodge any surplus funds with

Surely, to compel liquidators

to lodge funds on such terms is fiscal oppression of the sort normally practised only behind the Iron Curtain-even the allow a nominal 2.3 per cent on If compulsion is appropriate

the payment of an adequate You suggest that there should return on the lines of the 5 per be no "going rate" for wage cent, tax free paid on Post Office claims, but that successful com-A. W. Furse

### Gas flared to waste

business, at least not to the Sir, — Does British National extent of having their earnings Oil Corporation know precisely Sir, - Doés British National related to its success or failure. how many North Sea well-heads Any enforcement of such a are flaring off their gas to waste principle would result in wor- and how much gas and money is

Mr. Barry Ross, public affairs ensuring its continuing failure. ber 17, that gas which would maintain pressure. But could it not be liquefied at or near wellneed to climb back.

The fact that unions use company profits as an argument for higher wages does not mean in the Firth of Forth? Well-head liquefaction of gas should not be harder to engineer than many other astonishing feats instances you quote, such as the the oil companies have accom-N. W. Wilson.

### Paying for pensions From Mr. R. Nottage

Sir.—I was interested to see Mr. Shucksmith's introduction (September 24) of "the microeconomic agent" into our discussion on the financing of pensions.

His question about the immortality or otherwise of the National Coal Board and British

Rail, is not relevant, however, to the question of how the taxpayer should pay for the pensions of their many former employees which they (NCB and BR) cannot afford and successive governments have agreed to meet. Those pensioners, we may be sure, are mortal, and over the next 20 years will substantially decline in numbers. If the taxpayer meets the cost

of the pensions to which he has been committed as it arises, he will benefit from the most even annual rate of call upon his pocket. Moreover, if the prescnt negative real rates of return on pension fund invest-ment persist, he will discharge his responsibility more cheaply than by straining himself over the next few years to provide enormous sums of money for long-term management—good, bad or indifferent—by the trustees of the NCB and BR

Shucksmith that "A collective arrangement, in which all microeconomic agents participated, in the Board of Trade at the end the form of a nation-wide payof the first six months period. as-you-go pension scheme Following completion of the providing comprehensive benerollowing completion of the providing comprehensive bene- everything that we now produce liquidation, application was fits" is by no means "a with a fraction of the work made for the repayment of these theoretical alternative to indige," as he force, and in which the benefits ridual advance funding," as he of that state of affairs had been received a cheque repaying the suggests. Probably 75 per cent taken partly by increasing pro-

文字·李明·阿斯·斯·斯·斯····

Wage claims and interest whatsoever has been of retirement age is financed work and partly by creating new ing receipts for cheques I write allowed for the use of such in that way—as the annual jobs in expanded and improved is addressed to my husband reports of the DHSS and Sup-public services.

What allowances we have against the control of the partly by creating new ing receipts for cheques I write allowances to my husband what allowances we have against the control of the partly by creating new ing receipts for cheques I write allowed for the use of such in that way—as the annual jobs in expanded and improved is addressed to my husband what allowances we have against the partly by creating new ingreceipts for cheques I write allowed for the use of such in that way—as the annual jobs in expanded and improved is addressed to my husband. plementary Benefits Commission bear witness Raymond Nottage. Reform Club.

### Lump sums may be necessary

real rate of return on average in the long-term than not." It is like asking the old question: "How long is a piece of string?"

What does Mr. Schucksmith mean by "long-term?". I feel very strongly that those pension funds that have shown a substantial negative return in the past·five-seven years—and I believe there is every likelihood of the return being negative for the next five-seven years—will run into serious financial trouble if they continue in the face of all present-day circumstances to have the fund valued on a positive basis. We have been living, and continue to live, in times without precedent, and I believe it far more practical to deal with the situation as it has existed for the past five years and forecast to last for another

Shareholders of companies whose pension funds are still being valued on a positive basis despite the fact the contrary bas been the actual position, are likely before long to get a shock as to the lump sum that may be necessary to pay into the fund. I think a case quite recently has been reported where the company in one year alone had to back up the pension fund by approximately £9m. It is far better to my son tute by approximately from the employees' point of view, but also from the shareholders' point of view that their pension fund is continually valued on a discontinuance basis. The Bowring Building, Tower Place, EC3

### Vision and the new technology From Dr. S. Watkins.

Sir, — Several recent letters have criticised the Association of Scientific Technical and Managerial Staffs for adopting technology.
In June junior hospital doctor

members of ASTMS took a reso-lution to the Hospital Junior Staffs Conference seeking to reverse that conference's policy of reducing medical school throughput and instead recognising that new technology would create a manpower surplus necessitating "a change in the structure of employment with greater leisure and increased employment in the labour-intensive public services."

Speakers in favour of the resolution spoke of a vision of a society in which new technology had been used to the full, in which it was possible to produce everything that we now produce

But the ASTMS resolution

was bifterly opposed by mem-bers of the British Medical Association who accused us of advocating ple-in-the-sky and described our vision as an hallucination. The resolution was defeated. It is rather harsh to be criticised in one forum for unrealistic enthusiasm and in another forum of Luddism.

Sir.—I was interested in reading the letter from Mr. Schuckamith (September 24) but when he states: "For what it is not to the vision which was described at the HJS conference. But it could equally lead in a second to the vision which was described at the HJS conference. But it could equally lead in a second to the vision which was described at the HJS conference. But it could equally lead in a second to the vision which was described at the HJS conference. my own view is that a gross employed class and a large uninvestor such as a pension fund employed class. The bene-is more likely to earn a positive fits could be thrown away options available or by the confict which would be created if industry sought to use new technology simply to throw large numbers of people on to the scrap heap.

ASTMS and indeed the trade union movement as a whole has a clear strategy for achieving maximum benefit from the new technology. It is management and Government which refuse to recognise either the opportunities or the dangers.
(Dr.) Stephen J. Watkins.
(Council member, Medical Practitioners' Union section.

ASTMS). 2, Keats Close, Langton Brow, Ecclesion, Chorley, Lancs.

### Inquiry needed into HMSO

From Mr. P. Spiegl Sir,-Further to Mr. F. Smith's letter (September 22) concerning the HMSO Daily List, have subscribers tried ordering the Government publications offered? The ensuing

of date. most Government establishreports with the inevitable result that these important works are frequently unobtainable or at best, obtainable only after such lengthy delay as to render their usefulness doubt-

This unsatisfactory state of affairs also applies to many foreign institutions, since HMSO holds the agency. A searching inquiry into Her Majesty's Stationery Office is Peter F. Spiegi. 6, St. George's Street,

### Helpless at the IR's hands

Stamford, Lincolnshire.

From Shena Mason Sir,—How good to see Mr. Kirwan (September 22) having a go at the Inland Revenue's (and successive Chancellors' persistently Victorian view of working wives. He is quite right about the irritation this causes inde-pendently minded women, some of whom earn considerably more than their husbands.

A wife's wish to be treated as a person in her own right does £14,500 of grant to be written off not necessarily reflect on the per employee per year. In this quality of her marriage; it is a plant it is quite probable that basic right to which all are en- each employee will subtract titled, but which women have value and the amount subtracted only recently been educated to

From my own experience, several years of protracted negotia-tions with the Inland Revenue original deposit minus 14 per or more of the pension income duction (and hence the standard communication addressed to me duty—total 2 per cent. No nation's 9.5m men and women that there is more to life than personally. Everything, includ-

is addressed to my husband. What allowances we have against tax go, of course, to him.

The ultimate irritation, some years ago, was discovering that only he could claim tax relief on premiums I pay on life insurance I took out to provide for my own retirement With thousands of other

women, I share extreme resentment at the unfairness of this treatment and the attitude it implies. Shena Mason,

95? Church Hul Road. Solihuli, West Midlands.

### The third airport

From Mr. T. Whittle Sir.—I concur with your correspondent, A. L. Beard (September 22), in questioning the need for a third London Airport. Before embarking on massive expenditure the exist-ing resources should be surveyed to see how they might be improved to cope with the increase in traffic.

The constant speding up of land transportation (e.g., advanced passenger trains) suggests that into the next century internal air transport will decline and points to a need for international airports to be sited near large conurbations

Prestwick International Airport is an excellent example. This airport is probably the most fog-free in Europe, with good transport, take-offs over the sea, and no environment problems. Yet it is in serious danger of closing because of lack of traffic. Many journeys starting in Scotland have to go via London.

For an experimental period

(preferably five and not less delay in delivery is frequently than two years) why not try many months—so long in fact more connection landings at, that some publications are out say. East Midlands or Manchester and Prestwick, for those Are readers also aware that flights which take the great cost Government establish circle route over the Atlantic? ments in the UK are tied to Flights to Africa and the Far HMSO for distribution of their East might start in the North and call at Lendon, thus spreading the pressure on airport services. Perhaps the airports could reduce their landing fees for this experimental testing period. Thomas E. Whittle. 19, Kildoon Drive, Maubole, Aurshire.

# wealth

From Mr. R. Musgrave.
Sir,—I see (September 11)
Dow Corning is to get an
£18.25m grant for a plant that
creates 125 jobs in South Wales.
With a subsidy this size it would
seem, given certain not unreasonable assumptions that reasonable assumptions, that these 125 people may have the distinction of actually destroy-ing wealth, not creating it. The first assumption is that the operation just breaks even, that is just pays for the capital

and interest required. The second concerns the time over which the capital representing the grant is written off; if this is ten years say, then there is per annum, if the plant just breaks even, will be roughly £14,500 minus the national R. S. Musgrave, 24 Garden Avenue

UK: Liberal Party conference continues, Margate. Zimbabwe-Rhodesia constitutional conference continues, Lan-

caster House, London. Air Chief Marshal Sir Michael Beetham, Chief of the Air Staff, speaks at Battle of Britain Bail, Grosvenor House, London. Mr. Gordon Borrie, director

general, Office of Fair Trading, speaks at conference on European and U.S. competition law, Goldsmiths Hall, London Save the Children Race Day,

Overseas: President Lopez Portitlo of Mexico meets President Jimmy Carter, Washington.

### Today's Events EEC Agriculture Ministers conference concludes, Dublin Castle. Celebration of 250 years of

Parliamentary government in Bahamas. COMPANY RESULTS

Interim dividends: Charles
Hunt. Percy Lane Group. Lyle
Shipping Company. F. Miller
(Textiles). Modern Engineers of
Bristol. Whatman Reeve Angel. George WHIs and Sons (Hold-Interim figures: North British Canadian Investment Company

(third quarter figures). COMPANY MEETINGS Carrington Investments, 75,

Harborne Road, Birmingham, 12, Charnos, Corporation Road, likeston. 3. Imperiai Diamond Stylus, Imperial Hotel, Liandudno, Gwyned, 12.30, J. and J. Dyson, Cutlers Hall, Sheffield, 12, Longton Transport, North Stafford Hotel, Station Road, Stoke-on Trent, 3. PMA, 25, Milk Street, EC, 12. Textured Jersey, Win-chester House, 100, Old Broad Street, EC, 12. Trafford Carpets, Mosley Road, Trafford Park, Manchester, 12.45. Vita-Tex, 73, Buckingham Avenue, Slough, 3. Joseph Webb, Station Hotel, Dudley, 12. Wiggins Construction,

Har: Road. Thundersley, Benitel, Essex, 12.

## WHERE IN THE WORLD WILLYOU FIND STANDARD CHARTERED?



In 60 countries around the world, almost anywhere that you may want to do business. In Kenya, for instance, we are a long-established part of commercial life, with 34 branches right across the country.

When you use Standard Chartered for your Kenyan business you save yourself money and time, because our U.K. branch nearest to you will contact any of our Kenyan branches direct. There will be no intermediate banks or indirect delays. Ring Keith Skinner on 01-623 7500 now to hear more about this.



helps you throughout the world Head Office 10 Clements Lane, London ECAN 7AB

Chetwood,

Clifford managing director of Wim

pey. . . fairer weather ahead

in second half.

£229,572 compared

Wilkinson

Warburton

THE FIRST HALF profits decline

forecast at Wilkinson Warburton turns out to be from £418,846 to £365,660. In his last annual statement the chairman warned

of the effects of the bad weather and strikes which were dalaying

deliveries fram manufacturers.
Sales for the first half of 1979
were ahead from £8.4m to £9.6m

and trading profit was up from

£547,076 to £581,250. But interest

# Jump in financing costs Vickers rises to Wimpey profits almost pushes Dunlop down £6m

THOUGH Duniop Holdings held operating profit at £32m for the first half of 1979, an LSm jump in finance costs and higher tax charge left almost nothing attributable to shareholders. However, the net interim dividend is maintained at 2.65p.

Hit by an estimated £3m loss drivers strike and the long winter, the tyre producer made a had start in the year. Despite a doubled profit in the second quarter over the first three months, the half time surplus ieli from £22m to £16m.

Of this, tax took £14m (£13m). including £12m (£11m) overseas, with the high charge reflecting the greater proportion of oversens carnings and certain unrefleved losses.

Prospects outside Europe remain satisfactory but in the UK the company faces the prob-lets of rising inflation, high univest rates, strong sterling and the very damaging effect of the engineering sirike. Cost im-movement and cash conservation measures remain high priorities, the directors say.

For 1978 profit was down at

The group's European tyre business, while in total mentring hoses and having particularly deflects problems in the UK, did innered during the six months. Religionalisation costs of £10m involving mainly the closure of the Speke tyre factory have been charged to the \$18m provision

Care of associates, including 19m, compared with \$4m, from Pirelli, was 22m ahead at 27m but this growth was more than effect by financing charges, in-they are satisfied in world and deleted by higher interest rates material increase on balance and enlarged borrowings, from sheet values.

On a current cast basis along the lines of ED 24 the company should have shown a £3m pretax less, against a £5m profit.

Profits of Dunlop's UK-based inclustrial, engineering and consumer divisions were lower but sperts remained steady. Subsi-claries outside Europe were 8 ner cent up. With exchange rates on a comparable basis the underlying advance here was about 20 per cent.

Lex considers the results from Dunlop which continues to struggle against serious problems in the UK tyre market and ever rising finance charges. Interim profits are again lower although the dividend is maintained despite-attributable earnings of nil. Some very poor figures were revealed by Wimpey yesterday. Profits are down 42 per cent with the bad weather and haulage strike taking the blame. Results from two of the big insurance broking groups, C. T. Bowring and Alexander Howden, reflect the continuing squeeze on the sector caused by higher interest rates and stronger sterling, but at least Howden is forecasting some improvement for the full year. At Vickers trading is sluggish and compensation on shipbuilding assets has been referred to arbitration. Finally Lex comments briefly on the surprise twist in the Dalgety-Spillers saga. Other major companies reporting yesterday included Ready Mixed Concrete with reasonably good results, while British Printing Corporation virtually falls back to nil profit. Comments are also made on APV, Hambro Life. Wadham Stringer and Wm. Morrison.

### Aberdeen Construct. below £1m

140m. compared with a peak of THE BAD winter hit Aberdeen of criffin soon two years earlier. Construction Group in the first from total payment last time was half of 1979, and the taxable surplus fell from £1.27m to £845,564. on turnover of £26.09m, against £26.83m.

The directors say the work load is healthy and a substantial volume of work continues to be available for tendering. some improvement in weather, margina could reasonable.

Enternal to the \$18m provision indice in 1973.

Enternal built year sales were up \$17m to \$150 in with the overale is content \$ 0.00 cm better at the content \$ 0.00 cm better at \$ 0.00 cm better

(£3.95m). The directors do not consider the expense of a property re-valuation is justified, although they are satisfied it would show a

### General & Commercial

After administration and interest costs almost £10,000 pre-tax revenue of General and Commercial Investment Trust was ahead from £327,179 to £381,461 for the half year to August 31, 1979. Tax took £127,180 (£119,648) takes the total to 4.1250 (3.417p). leaving earnings per 25p share up from 3.69p to 4.56p. With the net balance emerged lower halftime gross assets valued at at £1.84m against £1.91m.

£12.02m, against a year-end total of £11.83m, net asset value at mid-year stood at 195p (189.9p). The net interim dividend is stepped up to 3.3p (2.6p) partly to reduce disparity and absorbed £176,418 (£138,996). Last time a 6.87p total was paid.

# Galliford **Brindley**

ADVERSE CONDITIONS, particularly severe weather, pre-vented Galliford Brindley from achieving the growth expected for 1978-79. Even so taxable profit for the year to June 30. was ahead from £2.51m to a record £2.87m with £1.64m, against £1.49m, coming in the At the trading level there was

an advance of £654.454 before depreciation of £1.2m (£0.9m). The current order books for the group, which has interests in building and development, civil engineering, heating and ventilating, engineering and plant hire, are generally adequate. To date there has been a reasonable start to the current year, says Mr. Peter Galliford, the chairman. A net final dividend of 3p takes the total to 4.125p (3.417p).

Gross revenue, including a £10,114 special dividend this time from Unilever, was up from £396,093 to £460,264. Administration and interest costs amounted to £78,803 (£68,914).

group had railed for a spe settlement of the compensation issue, and the opportunity to redeploy the funds. But, in the case of shiphulding their stockholders' representative has reached deadlock in his negotiations with the Government and accordingly the Board has accepted his recommendation to refer the matter to arbitration.

Negotiations are continuing over the 50 per cent share of British Aircraft Corporation (Holdings) but the directors are not yet able to report any satis-factory progress.

See Lex

### Gen. Investors & Trustees

Revenue of General Investors and Trustees improved from £724,000 to £936,000 in the half year ended July 31, 1979, before tax of £395,000 against £301,000. Total revenue was £1.21m, com- retail trade.

The directors do not expect

that the second half will pro-

duce as good a result from property trading while dealing profits include some exceptional

sales which will not be repeated

as 3.5p, against 2.7p. Net asset value per share amounts to

stepped up from 1.7p to 2p

partly to reduce disparity and a

special interim of 0.4p is also

declared being accumulated divi-

dends payable from BP, Shell

and Unilever. Last year's final

**Associated** 

down 15%

FIRST haif pre-tax profits of

ssociated Book Publishers were

15 per cent lower at £1.02m and

contrary to earlier hopes, annual

pre-tax earnings are not now expected to exceed the £3.37m

as 6.2p, against 12.9p, but the directors have declared an in-

creased interim dividend of 2.5p (1.9p)—the previous final was

Dividends Announced

Page 22

Earnings per share are stated

payment was 2.8p.

Book

in the rest of the year.

TAXABLE profits of Vickers, pared with £1.06m. the engineering group, rose from £5.16m to £6.39m in the first half of 1979 on turnover down from £191.4m to £184.5m. But the directors warn that if the engineering strikes are not ended quickly they will have serious repercussions for profits and employment this year, and into

The Board adds that all main 151.5p compared with 155.7p. activities, with the exception of The interim dividend Roneo Vickers and the Ausstepped up from 1.7p to tralian Engineering Group, made higher profits than in the corresponding period last year. But the strength of sterling and keen competition eroded margins on

UK exports. The pre-tax surplus was struck after investment income down from £313,000 to £66,000 and interest charges up from £5.21m to £6.24m.

Tax for the half year takes £2.2m (£2.1m) and after minorities of £76,000, against £441,000, the surplus is up from £2.61m to

The net interim dividend per £1 share is being maintained at 3.85p. Stated earnings per share are up from 5.5p to 9p.

Last year the group paid a total of 9.814p from taxable profits of £11.7m.

ANTO AL TITLITIA		
	Half	year
	1979	1978
	6000	1000
<b>0</b> 5	184.488	191,41
ding profit	12.538	10.00
estment income	66	10.7
rest payable	6,244	
re of sagociates	70,	t
fit before tax "	5,393	
771-171M EEEE 727	2.200	
fit eiter tax	4.103	2.00
Trinouties		3,0*
minorities	76	_ 44
vina	4,117	Γ.,
l. dividends	198	19
rib, before ax-		
merdinary items	3,919	2,42
To associates.		

The directors add that the £13.7m. Sales in real terms were 16 per cent ahead, although the sterling value of sales in over-seas subsidiaries was marginally lower in spite of a 30 per cent increase in Canada and a 10 per ceut rise in Australia. UK sales were up 14 per cent. After tax of £657,000 (£659,000)

and minorities, £131,000 (£71,000), first half attributable profits were £235,000 against £468,000.

208,000. UK profits at £562,000 were £267,000 lower than 1978, caused by-timing differences in the law publishing programme and trading difficulties in the important Nigerian market. Canadian profits the profits of the capture of £50 per capture. pre-tax profits were 150 per cent ahead of last year and in Australia and New Zealand profits were up 40 per cent after relocation costs of the New Zealand company.
In the U.S., where losses were

expected to be higher than last year, trading results were affected by the economic recession which markedly affected the

# £6.4m at halfway halved to £8.4m midway

contracting weather and the delay of the national transport strike, pre-tax profit of Wimpey Construction UK, formerly George Wimpey and Co., fell below expectation from £14.5m to £3.4m for the half-year ended June 30, 1979.
Total value of work carried

out at home and overseas during the period at \$428m was lower in real terms than the £406m in the 1978 half year " and in our efforts to keep faith with our clients we have had to work by uneconomical methods," says Mr. R. B. Smith, chairman.

The weather upset at home not only forced back the group's contracting programme but also deferred profits—only taken up at an advanced state of completion-which were further hit by additional inflation.

Work in the UK, however, is

now going well with more housing estates being developed than last year and house sales holding up well. In the absence of unforeseen changes operating profit for the rest of the year should be close to that earned in the 1978 second half and £212,750. E212,750.

Earnings per share are stated as 2.3p (2.13p) and the final dividend is 1.6375p raising the total from 2p to 2.25p.

Net asset value per capital loan stock unit amounts to 177.48p should represent a higher pro-portion of the annual total, the

Interest charges will be higher, but subject to the avail-ability of mortgages "we expect to produce satisfactory results for against 173.7p. 1980 both at home and abroad,"

Mr. Smith states.
Operating profit in the half year slipped from £18.5m to £12m and net profit came out at £6.4m. The 1978 first-half tax charge is not relevant for com-parison as the basis for accounting for deferred tax was substantially altered in last year's accounts.

The Wimpey group, building civil, mechanical and electrical engineering contractors, set up'a new holding company, George Wimpey Limited, at the end of

Pre-tax profit for 1978 was a record £57.2m, on which a special divideud of 1.5p a 25p share was paid together with a special pay-ment of 0.78042p.

A first interim dividend of

0.75p a share, payable on November 12 and totalling £1,920,000,

# 

Throgmorion Secured Growth £131,577; against £68,526. last year, payments Trust was down slightly from The directors say that sales 6.25p on record £1.95n £343,954 to £333,301 but after and forward bookings for the profits. Comparatives have £131,204, the amount available very satisfactory increase. However, they point out that trading in accounting policies. Throgmorton Secured Growth £131,577, against £68,526.

will be affected by the VAT increase and by how the tax rebates, due in October, are They add that it is therefore impossible to forecast the year's

outcome with any acuracy.
Last year taxable profits totalled £1.03m on £19.4m turn-The net interim dividend per

25p share is being lifted from 1.76p to 1.94p. Stated earnings are down from 7.91p to 6.23p. Last year the payment totalled

### **Appleyard** down 22% mid-year

WITH INTEREST and display charges up from £461,000 to £684,000, taxable profits of the Appleyard Group of Companies fell by 22.2 per cent from £1.27m to £388,000 for the first half of

External sales, excluding car tax and VAT, improved to £70.04m (£68.86m). The group is engaged in the distribution and

retailing of cars, commercial vehicles, agricultural equipment and fuel oil.

and fuel oil.

Mr. Ian Appleyard, the chairman, says very good results were achieved from the Rolls-Royce, Ford, commercial vehicle, fuel oil and contracts hire activities.

However, these were more than offset by high interest charges and reduced margins on BL cars. In addition, further substantial trading losses were incurred in trading losses were incurred in Glasgow where the reorganisation of the business continues.

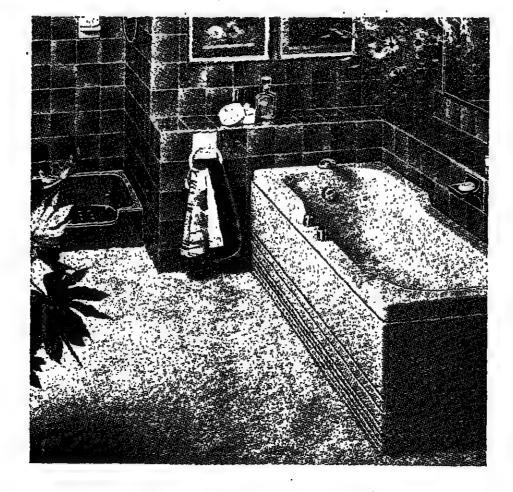
He says the outlook for the second half is not encouraging, with continuing high interest rates, extremely competitive trading conditions, and the possibility of a further period of

industrial unrest. Having had the opportunity to consider fully the new plans for the future of BL announced recently, the group feels that these will enable BL to overcome its immediate difficulties and it weckomes the bringing forward of the new models which the plan

makes possible. After tax of £240,000 (£338,000), half-yearly earnings per 25p share decreased by 2.3p to 9.23p. The interim dividend is held at 2.25p net absorbing £180.000 (same) and the board expects to maintain the final last year, payments totalled 6.25p on record £1.95m pre-tax

restated as a result of changes

# Ioyou its a bathroom. For us it's awatershed.



Most people think Marley's activities in plastics are restricted to the manufacture of products for the building industry:

Certainly, the company have made a considerable name for themselves through the introduction of revolutionary and patented upvcplumbing and drainage systems, also claddings, fencing and a host of other products.

However, with the unlimited potential of plastics to replace traditional materials, and

being 10 years ahead in polymer technology, Marley have naturally moved into consumer marketstoo.

This year Marley launched the exciting new Mix + Match bathroom-a unique range of baths, shower trays and accessories designed by Hardy Amies and available in eight fashion-conscious colours.

By combining luxurious elegance with the imaginative freedom to mix and match from a

pallette of colours, Marley have banished boredom from the bathroom.

The Mix + Match bathroom theme is just one successful result of the continual policy of product development and diversification we are pursuing at Marley.

In plastics, as in all our other spheres of involvement, we strive continuously to improve the performance quality and end price of our products. Revolutionary new manufacturing

processes developed by our engineering staff are increasing still further the significant contribution extruded plastics make to company earnings.

No wonder we say at Marley that baths are one of the best places for having brightideas.



DIV & HOME IMPROVEMENT PRODUCTS - GARDEN PRODUCTS - DIV RETAILING -ROOFING - FLOORING - PLUMBING - BUILDING PRODUCTS - CONTRACTING - BUILDERS MERCHANTS - PVC SHEETING - KITCHENS FURNITURE - HOUSEWARES - SANITARYWARE - INDUSTRIAL BUILDINGS - GARAGES - WARLHOUSING & DISTRIBUTION - VEHICLE LEASING - AUTOMOTIVE - HAULAGE - ENPORT - OVERSEAS - PROPERTY INVESTMENT - INSURANCE

dmost.

Midnay

dian't

# COMPANY NEWS & VIEWS



With a yield offered on the

in view of the partly paid basis

this column last week has proved well founded. Equities ran out of steam in the middle of this week as all eyes turned to the gilts pitch to gauge the element of oversubscription for Thursday's tap stocks.

With a yield offered on the rose 10 points to 114p. Electricals tend participate fully in any market strong institutional buying was seen at the start of the week in a number of stocks.

Electrocomponents moved up 21p to 373p, Farnell rose 27p to 445p, Ferranti improved long tap of about 14 per cent and three-month interbank rates down to just under 13 per 21p to 388p, and Racal were cent, the stags could not-believe their luck: particularly also a good market — firming 12 points to 380p.

on which the stock was offered. engineer Burgess Products rose 7 points to 60p in a thin market Nevertheless the stags should remember how the jobbers held the last partly-paid figures are due in April.

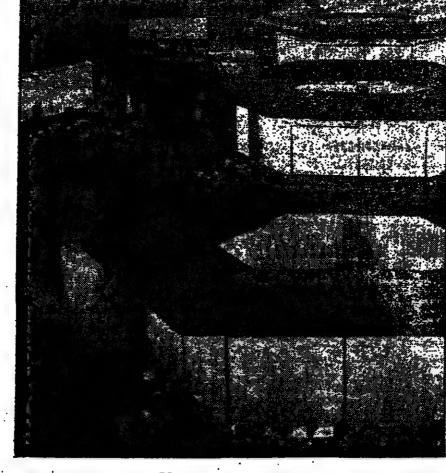
**Company News** 

for De Vere of the 248p to anticipating the board a followed

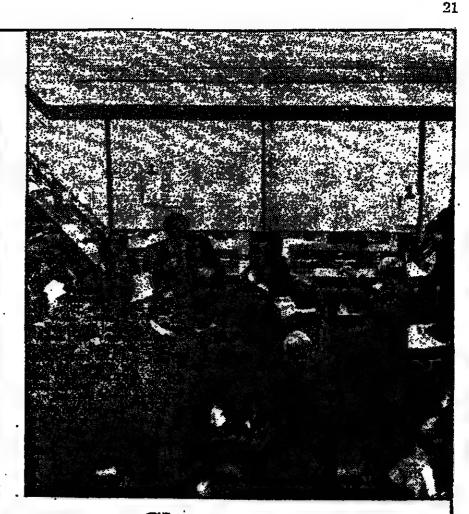
rumours all

over Panel i take any acti

But, were



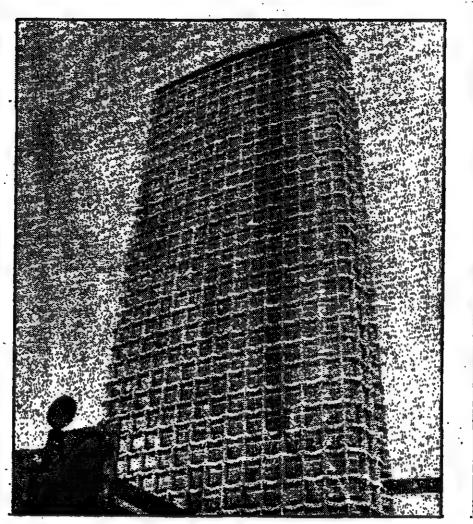
Investment



Shares to watch



**Banking and Money Markets** 



**Property** 



**Personal Finance** 

# IT'S ALL IN TODAY'S FINANCIALWEEMLY

### ALSO IN TODAY'S ISSUE

FINANCIAL NEWS AND COMMENT WEEK IN PERSPECTIVE CITY REPORT SHIPPING · COMMODITIES **SQUARE MILE DIARY** ECONOMIC AND STOCKMARKET INDICATORS

Every Friday, Financial Weekly reports and comments on financial news, facts and figures - and brings you exclusive interviews and articles by well-known columnists.

# TODAY AND EVERY FRIDAY

Get it with your daily paper

# FINANCIAL WEE

What the figures won't tell you, Financial Weekly will

Banking Money Markets



Published by Fleet Financial Publishing Limited. 9 Holborn, London ECIN 2NE. Tel: 01-405 7254.

# Rise in sterling hits Bowring at halfway

interest rates, the taxable sur-£950,000 for the 1978 year. plus of C. T. Bowring fell from £19.78m to £17.9m in the first half of 1979.

Mr. Peter Bowring, chairman, says the adverse factors in the first half have continued and are bound to affect full-year results. For the whole of 1978, profits reached £38.61m.

The chairman says that, in the period under review, Singer and Friedlander again showed an im-proved contribution, as did the underwriting interests. Trading and shipping activities continued to operate in difficult conditions, but he expects an improvement on last year's results.

Turnover for the half-year rose TAXABLE profits of Francis from £645.02m to £658.03m. Tax Sumner (Holdings) fell by 20 took £9.31m, against £10.29m. per cent in the first half of 1979. The net interim dividend is On turnover ahead from £7.8m to The net interim dividend is On turnover ahead from £7.8m to stepped up from 1.013375p to £8.6m the pre-tax surplus de-1.47p—last year's total was clined from £404,893 to £322,227.

WITH insurance broking profit dit for leasing income in relation and a consequent provision hit by the strong pound and Bow- to funds invested. This means against a large build-up of stocks. maker's credit finance business an increase in profits for period Further trading losses at Delta suffering from the effect of high of £154,000 (£716,000), and Mill, whose impending closure

Turnovar
Profit before tax ...
Tax
Net profit .....
Minority .....
Pref. dividend .....
Available .....

### F. Sumner **falls 20%** at midway

3.361035p.

The directors say the main £231,119.

The results incorporate a reason for the profits fall was an The directors of accounting basis at acute downturn in trade at one excluding Bowmaker which now takes ere
of the manufacturing companies, £133,973.

Further trading losses at Delta was announced last May, have also to be written off in the first six months. No provision has yet been made for its closure losses because they cannot be fully assessed until production and later this year.

ends later this year. However, other companies are making reasonable progress. Although the order book has shortened considerably since the s April in some areas of the textile division, the board still hopes for a satisfactory outcome for the year, Taxable profits in 1978 totalled £693,466.

The interim dividend per 10p share is being lifted from 0.5p to 0.55p. Last year's total was 0.7918p. Stated earnings per share are down from 1p to 0.86p. Tax for the period takes £90,000 (£135,000) and minorities £1,108, against £1,149, leaving the surplus down from £268,744 to The dividend absorbs £147,371, excluding ACT, compared with

# A. Howden down in first half

Howden Group, insurance broker and underwriting agent, were down from £11.5m to £11.09m for the first six months of 1979, but Mr. K. V. Grob, the chairman, says he would be dis-appointed if the current year's result was less than the previous year's £17.73m.

Half-yearly interest charge was up from £0.78m to £1.03m. After tax totalling £4.91m against £5.05m, and minorities, attributable profits dropped from

| 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | 1978 | Earnings per 10p share are

shown lower at 6.63p (8.26p), while to reduce disparity the net interim dividend is raised from 2.5p\_to 3.5p—last year's final was 4.5p. Mr. Grob reports that although

UK results continue to be affected by excessive capacity in the insurance markets and by the strength of sterling, the profits from £7.53m to £7.82m.

The group's U.S. excess and surplus lines operations appear to have passed the low-point of their cycle and minor losses after financing costs have been made good in July and August, he adds. The U.S. insurance companies continue to make good and trading the half year exceeded £500,000. crease.

### Owen Owen incurs loss of £210,000

Owen Owen, the departmental stores group, suffered a turn-round from a profit of £95,000 to a loss of £210,000 in the 26 weeks to July 28, 1979. Sales were shead from £44.18m to £45.93m, including VAT of £2.36m, against £1.78m.

At the annual meeting in June, Mr. J. A. H. Norman, thauman, had warned that firsthalf results might not reach those of last year, but he was confident the group would produce a satisfactory full-year performance.

He now says that sales in the UK and Canada have started slowly in the second half and no material improvement is expected before the critical pre-Christmas period which, in the UK, will coincide with tax refunds. In the last full year, there were taxable profits of £2.95m, on sales of £102.46m. UK retail profits were lower than last time, the chairman says, chiefly because of a disappointing sales performance in the weeks after the June

duced similar figures to last was accounted for by the in-year. latest store opened in August, 1978. The six established stores reduced their loss. The chairman says Canadian sales and loss contributions have been reduced on conversion to sterling because of the lower exchange

The net interim dividend is raised from 0.69p to 1p. The chairman explains that the payment reflects the intention to increase the proportion which the interim bears to the total. The final will depend on the level of full-year profitability. Last year's final was 2.500Sp.

After a tax credit of 250,000 (SM 000 charm), there was not to the final was 2.500Sp.

loss of £160,000, against a £1,000 Last year's half-time figures have been adjusted in line with the Japoary 1979 accounting policy change on Canadian un-matured profit reserves.

(£94,000 charge), there was a net

### GEN. SCOTTISH CONVERSION

Holders of a further £64,621 of 5½ per cent General Scottish Trust convertible unsecured loan stock 1995-2000 had converted holdings into 82,069 ordinary shares at September 25. The board has decided to exercise the company's right to require the remaining bolders

be 9,855,000.

### Six months fall at **Bentalls**

ALTHOUGH SALES, excluding VAT, were 8.5 per cent higher at £19.6m, pre-tax profits of Bentalls, department store operator, fell by £99,000 to £984,000 for the half year ended August 4,

of the first half have so far con-tinued into the second six months and the increase in sales compared with last year is at present still below target, the directors

The larger part of group turnover, however, is achieved in the second half and there is a seasonal increase in trade which usually starts in October. With additional consumer spending likely from substantial tax refunds plus the increased trade from various store improvements. the directors are hopeful of a satisfactory full year result.

For the year ended February 3, 1979, pre-tax profits were a record £2.93m on £41.7m sales. The half-year's result included The half-year's result included exceptional credits of £20,000 (£22,000 debits), which comprised a profit on the sale of property and a refund of general rates, offset by a loss on the Chatham store during reorganisation and computer development expenses. It is anticipated that this store will trade profitably

during the second six months. Comparative profit before tax was reduced by £39,000 in respect of depreciation for freehold buildings, charged for the first time in the 1978-79 accounts.

Earnings per 10p share are shown as 2.37p (2.61p) before tax of £433,000 (£476,000) and as 1.33p (1.46p) after the same. The interim dividend is kept at 0.3p net, again absorbing £125,000—last year's final was 1.01794p.

The enlarged and modernised Chatham store was opened early this month and trading since has been very encouraging, the directors say. At Kingston, phased renovation and re-equipment is continuing and the refurbished lower ground floor will be fully operational early next month.

is unlikely to represent an reorganised Australian operation, improvement on 1978-79, they and the losses made be state. In August, the group acquired Jordan and Cook, a furniture and furnishing business in Worthing. Tax was fim lower at £2.19m and site? minorities extra-ordinary items, and preference dividends, profits attributable to ordinary holders fell from £4.4m

### Tate and Lyle Canada sugar plant closes

Redpath Industries, controlled by the Tate and Lyle group, is discontinuing sugar refining at its old established Montreal plant by the year end. It will mean a loss of 300 jobs.

The company says the Montreal refinery is now operating at only 50 per cent of capacity and the reason for the Budget. Sales, including the net into 105.676 ordinary shares.

capacity and the reason for the increase from acquisitions less. If none of these remaining closure is over-production in disposals, were 14.4 per cent stockholders exercise their right Canada and economic considerations. Plumb Contracts conto be repaid at par, the number thous. The closure will mean a contract of the contract of th Appleyard int 225
AFV int 2.8
Associated Book int 2.8 \$C7m in the current year. Cope Sportwear int 0.2
Dunlop int 2.65
F. C. Finance int 1.1
Gailiford

# RMC ahead to £15.2m in first six months

IMPROVED trading conditions in the second quarter of 1979, particularly in West Germany, resulted in Ready Mixed Concrete increasing pre-tax profits from £14.82m to £15.21m in the six months to June 30, 1979.

The profit rise was despite severe weather throughout Europe in the first quarter and the increase in the value of sterling, the directors say. Recovery in the UK began later than the rest of Europe but indications are that this recovery has continued into the

second six months. Earnings per 25p share are stated as 11.2p against 11.9p. The interim dividend is raised from 2.79p to 3.35p—last year's total was 6.7p when pre-tax profits were £36.5m.

Operating profit for the first half was £17.1m (£15.9m) after depreciation of £11.5m against £10.5m. Profits on disposals on properties were £187,000

ADVERSELY AFFECTED by exchange rates, higher interest

rates and a downturn in trading in July, taxable profits of Tootal,

thread and textile manufacturer, dropped from £8.04m to £6.42m in the six months ended July 31,

1979. External sales were reduced by £3.92m to £190.45m.

The directors point out that

the sale of Van Allan and its consequent exclusion from this

year's results, coupled with other acquisitions and disposals,

make comparison with 1978

While prospects in major versess operations appear

reasonable for the remainder of the year, the final outcome for the group will be greatly influ-

enced by exchange rates and the buoyancy of the UK retail market in the final quarter. It

Half-year interest charge increased by over £1m to £4.83m.

Despite the present profit performance, the board is con-

fident that the changes which

have been made in the composi-

Alva Investment ...int. 403

difficult

restated to reflect changes in accounting for depreciation and deferred tax.

Profit Interest Profit before 12x

comment .

Ready Mixed Concrete can thank the beginning of a worthwhile performance in France for the small overall interim improve-Relaxation of French price controls and a correction of management difficulties boosted the contribution from this source from almost nothing dividend r in the first half of 1978 to somethe prospething approaching £1m. Else 7.4 per cerebring in the first quarter as supported.

Tootal drops to £6.4m halfway

tion of the group, together with others under review, instify continued improvement in divi-

The interim dividend is there

fore increased from 1p to 1.1p net per 25p share, costing £1.95m

the previous year's final was

and the losses made by Van Alian, now sold to UDS, have rather cheekly been left out. On the other band, the group

reckons that the strengthening of sterling cost £0.7m on the translation of overseas profits.

Tootal is confident that the

recovery it was looking for this

year will come through over the next couple of years, and it seems intent on taking steps to

change the group's shape—such as the Van Allan disposal—in

Nov. 10

2.0415p on £21.1m profits.

External sales
Trading profit
Interest
Profit before tax
Taxation
Net profit
Minority interests
Extraordinary debit
Pref. dividend
Attributable to Ord. ...

• comment

Comparative figures have been much of Northern Europe froze estated to reflect changes in but recovered very strongly counting for depreciation and from April onwards in West

Germany. The upturn in the UK was less swift but the domestic contribution by the end of June had fully recovered, at some cost to margins, and the group is now reasonably consident that, after considerable catching up in July and August, volume in the full year will be maintained. West Germany, however, is set to become the pace-maker once again. The market is very buoyant and housing starts in the current year may rise by around 10 per cent. All of which suggests that, if the UK volume projections are right and France can continue its recovery, RMC is on course for at least £40m pre-tax this year. At 158p, up 2p yesterday, the prospective p/e would be a safe 6.3. The total dividend may be Sp net where the prospective yield would be 7.4 per cent. On both grounds, the share price is reasonably

this year there will be a con-tribution from "Ups 'n Downs,"

which just covered finance charges at the interim stage, but

the group is worried about orders from UK retailers for the

the full year. At 35p the prospective p/e may be around 8, fully taxed, while the yield is an alluring 14 per cent.

Jersey's Superest Hotels group

is taking over the 40-bedroom Berkeley Hotel in Southampton. Mr. Denis Caro, chairman and

hotel operations and as we could not find the right property at an acceptable price in the Channel

Islands, we felt that an expan-sion into the UK would be the logical move."

Suncrest, which controls seven hotels in Jersey providing some 550 beds, is associated through Anglo-Channel Leisure Investigation

ments with Travel International,

a leading tour operator to the Channel Islands.

JERSEY GROUP

BUYS UK HOTEL

### 63% rise for Stag **Furniture**

profits is reported by Stag Furni-ture Holdings for the first half of 1979. The surplus jumped from £1.04m to £1.69m on turnover 60 per cent ahead at £15.8m, against £9.9m, and the interim dividend is being raised from 2.3p net to 3.50. The results include a full half

year's contribution from Meredew Furniture which was acquired on November 1, 1978. The directors say that demand for furniture, while not buoyant, remains satisfactory, and the group is achieving its output targets. Taxable profits last year totalled £2.29m from which the group paid dividends of 6.5p. Tax for the balf-year takes £879,000 (£539,000), leaving net profit up from £497,000 to £811,000. Stated earnings per 25p share are well up from 12.02p to 19.66p.

### Macallan Glenlivet · up £100,000

Struck after higher interest charges of £270,000, against £134,000, pre-tax profits of Mac-allan-Glenlivet ended the July 31, 1979, year up by £100,000 at £502,000. Turnover of the malt whisky distiller rose from £2.5m to £3.32m. last quarter. It now looks as though Tootal will do well to make £18m, against £21.1m, in

Current demand for the com-pany's products is encouraging and despite high malt, labour and energy costs, which will put severe pressure on margins in the next two months, the Board expects some further profit improvement in the first half of the current year.

Although results have been affected by high interest rates. the directors say they remain convinced that a continued investment in stocks, with the attendant borrowing levels, is desirable and will ultimately be highly profitable for the

Stated earnings per 25p share were 3.15p higher at 22.35p, while a final dividend of 3.8744p raises the net total from 5.1369p to 5.9045p. The directors add that the 10 per cent increase at gross level is indicative of their intention to retain a greater proportion of earnings for expansion programmes of fixed assets and whisky stocks.

la

### Stag Furniture DIVIDENDS ANNOUNCED Corre- Total sponding for Holdings Ltd. Aberdeen Construct int. II Nov. 30

Tootal's interim figures are dis-appointing, particularly as the first half of this year contains

**Points from Interim Report** 

	Half-Years (un	audited) to:	Year to:
	30,6.79	1.7.78	31.12.78
	£000	£000	£000
Turnover	15,778	9,852	20,730
Profit before tax	1,690	1,036	2,286
Earnings per Ordi Shere (net)	nary 119.66p	†12.02p	, 37.10p
Dividend per Ord	Inary	_	
Share (net)	3.5p	<b>2,3</b> p	6.5p
Based on a corporat			

- Furniture. Profit before tax is 63% up compared with the first half of 1978, on turnover up 60%. The increased profit and the strong
- financial position justify a higher interim dividend.
- \* Current demand for furniture, whilst not buoyant, remains satisfactory.

Haydn Road, Nottingham NG5 1DU.

Copies of the full Interim Report may be obtained from The Secretary, Stag Furniture Holdings Limited



# The Appleyard Group of Companies Limited

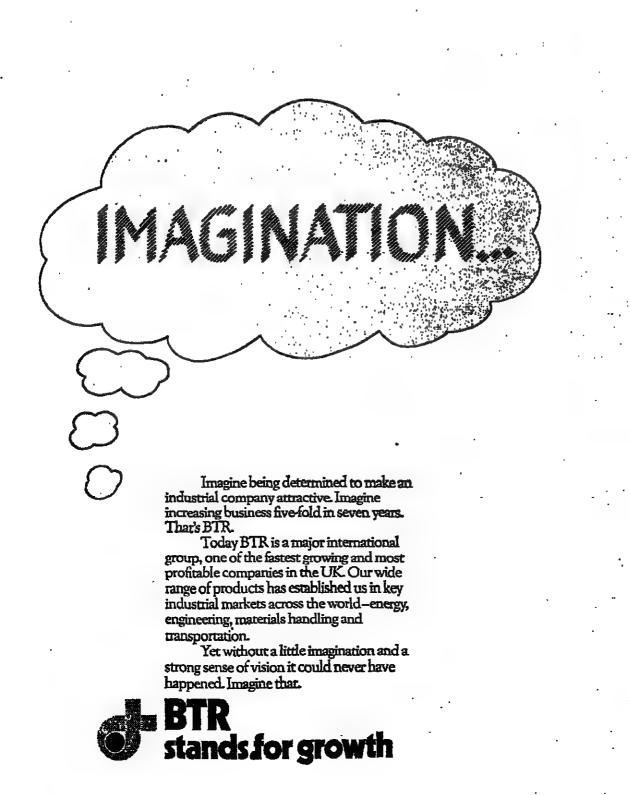
INTERIM STATEMENT Six months ended 30th June

1978 **Group Profit** before Interest,

Display charges £1,672,000 £1,731,000 and Tax Interest and £684,000 £461,000 Display charges £988,000 £1,270,000 Net Profit before Tax Interim Ordinary Dividend 2.25p

"Results from the Rolls-Royce, Ford, commercial vehicle, fuel oil and contract hire activities were all very good. However, these were more than offset by high interest charges and reduced margins on BL cars. In the absence of unforeseen circumstances the Board expects to maintain the final

Copies of the full Statement may be obtained from the Secretary, The Appleyard Group of Companies Limited, North Street, Leeds LS7 1RD.



**BTR Limited Silvertown House,** 

01-834 3848

Vincent Square, London SWIP 2PL

### 2.2 3.42 5.87 4.5 7 5.14 1.43 1.47 6.5 0.70 2 3.04 9.81 1.76 2.46 5.71 Gailiford Gen. & Commercial. int. Gen. Inv. & Trstees. int. Alexander Howden int. Oct. 29 Oct. 31 Nov. 19 Macallan-Glenlivet ...... P. & W. Maclellan int. Nov. 16 Nov. 16 Nov. 5 Dec. 3 Nov. 30 Dec. 1 Nov. 16 Nov. 30 Nov. 12 Nov. 8 Jan. 4 Jan. 4 Jan. 4 Jan. 4 Nov. 12 Nov. 12 Nov. 12 Nov. 12 Wm. Morrison .....int. Owen Owen int. Rand London int. Solicitors' Law int. Stag Furniture int. int 3.35 int 0.75 int 3.5 int 0.55 F. Sumner .....int. Throgmorton Growth ... Wace Group .....int. 1.2 Wadham Stringer ...int. / 1.21 Wilkinson Warbrin Int. 1.94 Wimpey Construct, int. 0.75 Nov. 12 — — — — Dividends shown pence per share net except where otherwise stated \*Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. † To reduce disparity. § Maintained total expected. † Partly to reduce disparity. || Plus special interim of 0.4p. \*\* 0.8p final forecast. †† South African BANK RETURN Wednesday Sept. 26 1979 BANKING DEPARTMENT 2,683,892 50,990,784 29,059,462 + 77,366,354 2,066,378,081 + 77,366,354 2,066,378,081 ISSUE DEPARTMENT 25,000,000 6,786,094 19,211,906 9,450,000,000 9,424,005,208 28,994,792 - 4,103,524 + 29,105,534 9,450,000,000 + 25,000,000 London W.L Luxury Furnished **Apartments** Greengarden House, St. Christopher's Place in quiet, picturesque, pedestrianised area near Oxford Street. Fully-equipped apartments with maid service.

For details of availability and charges contact: Greengarden Investments Limited Greengarden House, St. Christopher's Place, London WIM 5HD Tel: 01-486 8361

かないいいろ

Companies and Markets

### **UK COMPANY NEWS**

# Wadham Stringer hit by heavy interest charges

A circular is being sent to shareholders giving details of certain acquisitions and dis-posals, including Shetland Boats,

posals, including Shetland Boats, which have been made since the beginning of the year.

The purpose has been to rationalise certain franchise arrangements with BL, to increase the involvement with Ford and to expand boat building and manufacturing activities so as to reduce overall deties so as to reduce overall de-pendence on the motor and vehicle distribution industry and crease the return on shareholders' funds, the board states.

There are no surprises in second haif of 1978.
Wadham Stringer's first half Sales for the first six months results, which show a profits rose 2.9 per cent to £11.9m and shortfall of 8 per cent after more pre-tax profits were £401,939

AFTER more than doubled interest charges. profits before tax of Wadham Stringer, car, ruck and van distributor, were down from £2.5m to £2.3m in the six months ended June 30, 1979. Turnover amounted to £121.6m against £94.29m.
Order books and sales rates are strong and this continues, the directors say. Besides the high cost of finance, operating and fixed expenses are rising continuously and this makes it difficult to predict the future.

This reflects higher finance costs period last year. At the end of the 1978 year, the group produced portowings and a squeeze on margins from the BL distributor of £726,000 and margins from the BL distributor of £726,000 and margins from the BL distributor of £722,364 in the same that the same to the 1978 year, the group produced of the 1978 year, the group produced the final dividend. In view of the steadily imper cent of group profits. BL's declining market share is clearly a worry and to combat this, 0.75p and expects that the year's total should at least equal the interests into Ford dealerships and non-motor areas. For the moment though, the company is still heavily dependent on BL fortunately, it is located mainly Fortunately, it is located mainly in the south west, where BL sales have not been as depressed as elsewhere in the country. Unit

elsewhere in the country. Unit sales of all new cars are about 9 per cent higher, with BL figures showing an impressive 14 per cent rise against the national trend. But the second half does not look as buoyant and the group may only manage a recovery with the help of acquisitions. On last year's earnings, the prospective p/e is under 4 at 38p while the yield, taking a line through the interim taking a line through the interim dividend, is 11 per cent. This compares with historical ratings of 5 and 7.6 respectively for the

Solicitors' recovering

RESULTS of Solicitors' Law Stationery Society for the first half of 1979 shows that progress continues to be made in the re-covery from the disappointing second half of 1978.

contraction or closing of un-profitable areas as outlined in his annual report.

Due to continuing unlayour able trading conditions in Belgium and France and the loss of the major agency, it was con-sidered advisable to bring for-ward the planned closure dates of those operations so as to mini-

mise the total potential loss, the chairman says.

Although this is likely to in-crease the costs of closure above the provisions made, there will be a partial offset in the contain-

vander-Oyer S.A. was closed at the end of May, 1979. Oyer S.A. closed for business at the end of July, 1979, but continues to operate on a minimal number of staff to effect the final disposal of stock and to complete the closure by the end of the year.

ciosure by the end of the year.

The rationalisation of Oyez Business Machines is proceeding slowly, and loss-making areas have been reduced. The company should have reached, on a month by month basis, a breakeven position by the end of the year, Mr. Hodges says.

Oyez Press had an extremely good effort to the year Oyez Press.

good start to the year, Oyez Pub-lishing and associate companies in Canada are making sound profitable progress.

# APV profit falls £0.76m midway

because of the engineers dis-pute—how much lower will-depend on the length of the strike. He had earlier expected similar full-time profits. The chairman says the whole of the half-year shortfall came

from overseas, mostly as a result of the strong pound. First-half order intake rose from £113m to £127m, adjusted to June 30, 1979, exchange rates. This was satisfactory, the chairman adds, although he is con-cerned that the combination of the strong pound and the in-creasing inflation rate will make

The net interim dividend is raised 25 per cent to 2.8p (2.2346p)—last year's final was

the group less competitive over-

Turnover, excluding inter-company sales, increased from £114.55m, to £120.85m. Tax took 53.26m (53.21m)—SSAP 15 has been adopted and comparisons restated. Earnings per 50p share are given as 15.3p (17.9p) basic, and as 13.8p (16p) fully



record of 15 years of unbroken is beld growth is about to be lost. Many of the smaller subsidiaries are now running at a loss and profits from all other units are expected to be materially down. The ordering trend in non-food activi-

A f0.78m fall in taxable profits to ff.7.7m for the first half of 1979 is reported by APV Held-ings, the processing and heat transfer equipment group.

Mr. H. P. N. Benson, chairman, says the full-year surplus will be lower than the £18.12m last time because of the engineers distribute contribute some 25 per the surple surple such as the strong problems of the food division has been very strong and more than enough to cope with the problems of the severe overshower than the £18.12m last time because of the engineers distribute some 25 per the surple to a surplus of £200,000 but the engineering strike has throttled the benefit of this accelerating the benefit of this accelerating improvement. The dispute plainly kills any thoughts of a cogent earnings forecast but the group seems determined that the final dividend will be raised in line with the interim increase, unless of course the disruption runs into 1980, which indicates a accordance will defeat of a per cent a prospective yield of 6.3 per cent at 186p. The shares dropped 7p yesterday to a new annual low and are obviously still vulner-able. But a one point discount to the mechanical engineering sub-sector average yield is a factor of the quality and reliabi-lity of past earnings.

### FC Finance more than halved

After interest £1.28m higher at £3.29m, pre-tax profits of F. C. Finance fell sharply from £940,000 to £410,000 in the first half of 1979.

Turnover of the group, the ultimate holding company of which is Congression Whelesele.

which is Co-operative Wholesale when is Co-operative wholesale Society, rose from £24.19m to £29.45m, and is split as to: advances and equipment leased £26.49m (£21.39m); and property sales £2.94m (£2.8m).

After an unchanged tax charge of £15,000 — SSAP 15 has been applied and comparisons restated.

Ignoring the effects of currency applied and comparisons restated movements, APV's interim pro—earnings per 25p share are Ignoring the effects of currency movements, APV's interim profits are broadly unchanged but it shown to have fallen from £12.9p is now virtually certain that a to 5.4p. The net interim dividend is held at 1.1p—last year a total at 2.2p was paid from profits of of 2.2p was paid from profits of

Hire purchase and instalment credit was up from £39.3m to £49.63m, after unrealised finance

# Ready Mixed Concrete Limited

Interim Results to 30th June 1979

	First	First	Full
	6 months	6 months	Year
	1979	1978	1978
	£000°a	₹000,²	£000.°
Turnover	£319 <b>,88</b> 0	£293,778	£632,190
Operating profit:			
United Kingdom	10,316	10,272	20,700
West Germany	3,126	2,906	10,897
Other countries	3,653	2,725	6,446
	17,095	15,903	38,043
Profit on disposals of properties	187	201	662
Associated companies	(1)	238	518
Interest	(2,076)	(1,527)	(2,672)
Profit before taxation	15,205	14,815	36,551
Taxation	(4,968)	(4,721)	(11,511)
Outside shareholders' interests	(1,544)	. (1,333)	(4,388)
Extraordinary items	979		. —
Profit available to shareholders	€9,672	£8,761	£20,652
Dividends per share	3.35p	2.79p	6.7p

Improved trading conditions in the second quarter of 1979, particularly in West Germany, resulted in an increase in profit before taxation to £15,205,000 (1978 £14,815,000). The Directors have declared an interim dividend. of 3.35p per share payable on the 1st December 1979 to shareholders on the register at the close of business on the 26th October 1979.



# Midway advance by Morrison

in the last full year, Wm. Morrison Supermarkets expanded pre-tax profits from £1.42m to £1.92m for the six months ended August 4, 1979, on increased of £61,57m against

Profit included rents receivable of £112,000 (£90,000), but was struck after interest charges up from £90,000 to £157,000.

Mr. K. D. Morrison, the chairman, feels the result is particularly pleasing in view of the difficult start to the year caused by the after effects of the lorry drivers' strike combined with bad weather conditions.

Work has continued to bring

the ex-Whelens Discount Stores units up to the company's normal standards and the effects are increasingly showing in both turnover and profits, the chair-

lifted from 0.843p to 0.7p per 10p Comment 2 per cent while the share—last year's total was 1p. Considering the weather and p/e is a hefty 17.4.

field of 32,000 sq. ft. and Darlington of 56,000 sq. ft. will open ahead of schedule in Octo-ber, 1979, and April, 1980, respec-tively. It is anticipated that the 60,000 sq. ft. Harrogate store will open in the autumn of next year, while the extension of some 12,000 sq. ft. to the existing Halifax store will be completed by late 1980. A number of addi-tional sites are at various stages

of negotiation.
Construction of the 90,000 sq.
ft. fresh food factory has commenced and is scheduled for completion in the middle of next year.

No calculation of tax charges

have been made in the interim results, as the board considers that reliefs due to stock appreciation and first year allowances are

comment

delivery problems earlier in the year, Morrison's first balf figures are pleasing. Stripping out Whelans, the new acquisi-tion, there is still some volume growth on the groceries side and trading margins, at \$2 per cent (2.8 per cent), are com-parable with the major super-market chains. Meanwhile, the physical expansion programme is going ahead strongly while Whelans is beginning to show its true potential. Overall, ground £4.5m pre-tax looks possible for the year—an increase of more than a quarter. At 160p the share price has drifted downwards from the year's peak of 189p and there could still be some way to go, in spite of doubled interim payout. Assuming the dividend increase

# Harrisons Malaysian Estates

As a result of higher oil palm products and cocoa crops and improved prices for rubber and oil palm products the pre-tax group profit of £30-5 million comfortably exceeded that for the previous year of £25.2 million.

YEAR TO 31st MARCH 1979

### CAPITAL EXPENDITURE

Our development plans involve an expenditure of £3-1 million on planting and £4-4 million on buildings, equipment, vehicles and effluent works during the current year.

### ANALYSIS OF RESULTS

	1979	1978
	£'000 .	£′000
Rubber (40,622,138 kg)	3,878	3,564
Palmoil and kernels,(136,135 tonnes)	16,373	12,716
Copra(4,529 tonnes)	509	605
Cocoa(4,917 tonnes)	5,926	5,702
·	26,686	22,587
Other income	3,784	2,599
GROUP PROFIT BEFORE TAX	30,470	25,186
GROUP PROFIT AFTER TAX AND MINORITYINTERESTS	16,424	11,397
EARNINGS PER SHARE	9-84p	7-01p
DIVIDENDS for year	6-50p	4·00p

### PROSPECTS

Our operations in Malaysia are running smoothly and with generally satisfactory prices ruling for our products the outlook for the current year is encouraging.

# furner & Newdis Important role in the microelectronics industry technology of our time.

One silicon chip stores thousands of elements of information. Photoresists are essential to silicon chip production and Hunt Chemical, a T&N company, is the leading USA supplier of

The Advisory Council for Applied Research and Development recently nominated microelectronics as the most influential

If that's so, the future looks especially bright for T&N's chemicals division.

Our American subsidiary, Hunt Chemical, pioneered the negative photoresists essential to the manufacture of micro-circuit silicon chips. Today it is the largest supplier in the world, and is a growing supplier of positive photoresists.

Specialty chemicals is just one of the businesses in which T&N is making its mark internationally.

We are actively investing and growing in automotive components, plastics, man-made mineral fibres and construction materials, in addition to mining asbestos.

Turner & Newall has evolved at such a rate recently that your view of us may be rather out of date.

Why not correct that, by writing for our corporate brochure now?



Providing what the future needs

ľ	To: Public Relations Dept., Turner & Newall ! to	
	To: Public Relations Dept., Turner & Newall Ltd 20 St. Mary's Parsonage, Manchester M3 2NL,	••
	Please send me a copy of your corporate brochs and/or Report & Accounts	ire
	Name	
	Name	



### Coursesy of Chubb & Sons Lock and Sale Co. Ltd

# An investment in personal efficiency

Quite simply, the FT Desk Diary helps you get more out of your year. As well as planning your time, it saves you time. You'll find a remarkable amount of information, to relieve you of the bother of searching through numerous directories.

For instance, there's an English/French/German business vocabulary... overseas visa requirements ... nine pages of worldwide information sources ... metric conversions...airline offices...and a 48-page colour atlas.

Another timesaver is the telephone/address book. At the end of the year, you pull it out and insert it into next year's diary. No more laborious re-writing of addresses.

That's not the only way it differs from ordinary diaries. It starts in 1979 on November 26, and finishes in 1981 on February 2. Two extra months. So now when you organise your business year, you can include the parts that overlap the calendar year.

# ...an investment in corporate goodwill

Once you've handled the FT Diary - smooth black calf leather, rich burgundycolour crushed hide, or superior black leathercloth - you'll agree there's only one thing to beat buying it for yourself. And that's if someone buys it for you. You can appreciate, then, how much your clients will welcome it as a gift from your Company.

You convey a rather subtle compliment: "We think you're important enough to warrant Europe's most important business diary." And for a surprisingly modest cost you can keep your Company in front of your clients every day of the year. your Company name or symbol can be imprinted in gold on the diary. So can a client's (or a prospect's) name or initials. Incidentally, attractive discounts are offered on bulk orders.

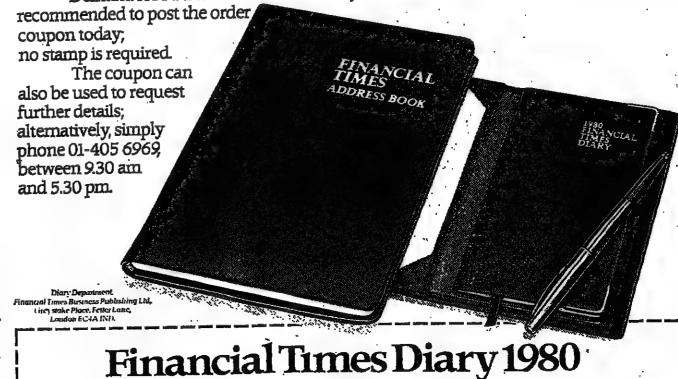
# Pocket Diary & Address Book

We believe the elegantly slim FT Pocket Diary to be the finest compact diary you've ever seen. Gilt metal corners protect its smooth black leather. The pocket diary is also available in its own leather wallet, lined with Royal Blue silk.

To complete the picture all you need now is the leather-bound FT Address Book. The address book and pocket diary can also be personalised in gold.

# How to acquire them

Demand for FT Diaries increases each year. To avoid disappointment you are



YES, please send the following: Desk diary, calf leather, burgundy: Desk diary, calf leather, black: Desk diary, leathercloth: Pocket diary: Pocket diary & wallet: Address book, tick choice of leather	y, calf leather, burgundy: £18.97 Initials only: 98p per lif you require this section for each item.  y, leathercloth: £10.64 Free colour leaflet ary: £13.28 Discount up to 25% Dook, tick choice of leather £12.48 Initials only: 98p per lif you require this section for each item.  Free colour leaflet Discount up to 25% Discount up to 2		ly: 98p per item. Ini nire this service please ; em. nr leaflet send me fully descripti	bulk discounts.		
☐ Grained black ☐ Smooth black ☐ Burgundy  Prices include p&p and VAT for UK only. For prices overseas, please tick box. ☐		I enclose o to Busine	crossed cheque/P.O. for ss Publishing	£	payable	
Name (Mt/Mrs/Miss/Ms) (Please print)  Address (Please print)				• • •		
Postcode	·.	Tel:			•	

### Hambro Life new business British Printing slumps up 43% to £666m to £60,000 at halfway

new business and premium income over the first half of this year is reported by Hambro Life Assurance, a major linked life company life company

New annual premiums advanced over the period by 19 per cent from £17.5m to £21m while single premiums were £21 per cent higher at £38.7m against £32m. New sums assured improved 43 per cent to £666m and the amount paid by the company in new initial commissions was up by 31 per cent to £10.1m.

Total premium income

765m an increase of 27 per cent. Although the final results for the year mounted to f816m compared valuation, an advance in after with £699m at the end of 1978. the company over the period was well spread over the complete range of the company's contracts. the interim, a total of 6p net

accounting for the nigher rise in sums assured. Since June 30, the new business level has been running at a rate substantially higher than for the corresponding periods last year.

An interim dividend of 1.5p per share, net of tax credit, has been declared, compared with an equivalent 1.2p in 1978.

The new business growth of Hambro Life during the first half of the year, and the con-tinued improvement thereafter up by 31 per cent to £10.1m.

Total premium income income auger well for shareholders in 1973. The company has managed to maintain a steady growth since its launch three years age and has lifted the interim divisional premium contracts accounted for season increase of 27 per cent. ith £690m at the end of 1978. tax actuariat surplus of 20 per The new business transacted by cent to £10m is on the eards. Assuming that the company lifts the final dividend in line with

higher than the £6.35m shown

activities are not further dis-

expected that the results for the

ARLINGTON MOTOR

Arlington Motor Boldings has

aggregate consideration of 4.000. The companies are

located in the Brighton and Hove

area and trade as motor car dealers for Audi/Volkswagen

products and used car retailers,

and provide service and spere parts facilities to retail

customers and the motor trade.

in the first six months.

factory," they add.

**EXPANSION** 

# Cope Sportswear raising £0.5m to fund acquisition

Cope Sportswear is proposing a rights issue to raise £0.5m net to 50.54m. A revaluation of assets is part fluance the acquisition for £1.25m of Sporrin Textiles from Handelmatschappij Chemie-Silk NVI.

The vendors have warranted that Sporrin's profits for the content of the c

a prefits down turn from £285,000 to £56,900 for the first half of to \$56,000 for the first half or 1979; but the interim dividend is raised from 0.19 to 0.29 with 1p the first quarter was adversely forecast for the full year (0.29). Affected by the transport strike, A; total of 1.76m new ordinary shares will be issued on the basis external industrial action.

They say that with the addition of the property of the compared of the property of the property of the property of the compared of the property of the shares will be issued on the pass of one-for-seven at 30p compared with 11p, unchanged, in the market last night.

They say that with the addition of Fabrics and Pennywise, the pattern of trade has thanged, and second half sales will be then the £6.35m shown

with the inchanged, in the market last night.
The directors have agreed to take up their entitlement to nearly 64 per tent of the new shipes. The balance has been underwritten by County Bank.
Cope sais that although the company continues to trade within its existing borrowing facilities, the directors consider that in where of the company's recent rapid expansion it is now recent rapid expansion it is now appropriate to raise further

The consideration for Sperrin agreed to buy the trading assets is payable in cash as to £0.5m and goodwill of Hove Motors on completion; £0.25m after six and Hove Motors (Services), for months and the balance after a further six months. Sperrin makes fabrics for the

leisure and home furnishing industries. It has manufacturing

equivalent 1.2p in 1978.

BOARD MEETINGS

1	(William)	
	Bulmer and Lumb	Nov. 2
į	Debenhams Empire Storee (Bradford)	Oct. 1
•	Empire Stores (Bredford)	Det 1
	Firming a contract (Discounts)	One
-	First Control Control of the Control	OLL :
1	First Castle Securities	UEL '
	Freemans (London S.W.S)	DCF
	Hunting Gibson	Oct.
5	Northern Securities Trust	Nov. Z
	Reed Executive	Oct
•	Smith St Auhun "	Oct. 17
•	Walker (C. and W.)	Dies.
	Finale	
6	Barry Trust	
	ingali industries	CET.
L	Lake and Elligt	Oct. 1
Ł	Lyles (S.)	Oct.
_	Lyles (S.) Sanderson Mikray and Eder	Oct.

rine assets being acquires consists of freehold and leasehold properties for an agreed price of £194,000, plant and equipment for £74,000, new and used car stocks, other stocks and parts for around £114,600, and goodwill for £22,000

will for £22,000. Based on the audited accounts of the vendor companies for the year 1978, the profits before tax attributable to the assets being acquired by Arlington were approximately \$82,000.

The consideration is to be satisfied by the issue of 374,735 new ordinary shares and, if necessary, a cash adjustment Completion is expected to take place on October 5, 1979. Arrangements are being made for these new shares to be placed in the market.

The acquisition of Hove Motors will expand Arlington's successful existing Audi-Volka-wagen retail business with a rupted late in the year, it is franchise in a part of the country where Arlington has not, so far, second half year will be setisbeen represented.

It will improve the balance of the company's vehicle sales activities which in the year 1978-1979 were: commercial vehicles 49 per cent, vans 10 per cent, buses and coaches 21 per cent, and motor cars 20 per cent.

NO PROBES

. The following mergers are not to be referred to the Monopolies Commission: Rediffusion/Telays Corporation. UK interest of Young and Rubicon Inc./UK interests of Marsteller Inc. Stelrad Group-Heating business A PROFITS dive is reported by the British Printing Corporation for the first half of 1978. The taxable surplus fell from 31.87m to 250,000 on sales ahead from

to £50,000 on sales ahead from £79.4m to £91.3m.

The directors say the main reasons for the downturn are the heavy losses suffered during the transport strike and the suspension of Times Newspapers. Sum Printers, which prints the Sunday. Times colour magazine, lost £1.3m during the half year.

The board adds that had it not been for these two major factors. been for these two major factors printing profits would have increased significantly over 1978.

The directors add that the impact of the Three dispute and higher interest charges—up from £1.79m in £2.17m at midway— · performed

but the division's over-

all result has been affected by delays in commissioning a new factory due to bad weather and the start-up costs of the new medical products investment. Probleming results were depressed mainly due to initial launch costs of language courses in Europe and the effect of the in Europe and the enert of the strong pound, Half-year exchange losses were 1778,000, against £246,000 surplus. However the directors are looking for a strong

second half in publishing.
The interim dividend is being, held at 1.1p net. The total payment last year was 3.5p after the group had lifted the taxable surplus from £5.76m to £7.12m. The interim pre-tax profit was

struck after an exception debit this time of £158,000. Tax for the period takes £430,000 (£605,000) and minorities are £79,000, against

### comment:

Special factors have exaggeratedstill further the seasonal bias towards the second half at BPC. which had anyway been increas by the reallocation of the Scandinavian publishing profits port dispute and the Sunday Times closure probably cost rather more than glim in the first half, representing the bulk of the 21 km pre-tax setback, and with the publishing side going well there is a good chance that the second half will not fall too far short of the \$5.3m pre-fax corded for the same period last difficult for BPC, especially so this year because it is an open question whether the Sunday Times will come back for the final couple of months. Still, the ment, perhaps the least the board

# Wace Group

### rights issue

A £295,000 rights issue has been launched by Wace Group, the printing industry supplier Also released yesterday were the half year figures to June 30 last showing a rise in pre-tax profits, including Gee and Watson, from £156,500 to £175,400. The interim

The rights issue is of 656,084 shares on the basis of one-for-three at 45p each. In the market waters shares fell back 7p to

However the bald figures are distorted by the inclusion of Gee and Watson. This company, acquired in September 1978, chipped in sales of £1.59m and financing costs of £37,600. comparative figures included temporary employment subsidy of £21,280 in pre-tax profits.

Initially the cash will be used last 12 months costing around £600,000, Wace's borrowings have risen to just over £1m.

Turning to the trading per-formance the chairman, Mr. N. Castle, says that the shortages of Wate's shares fell back 23 to since reduced tracing activity 589.

Turnover for the half year Rowever trading is improving increased to £2.85m from £1.19m and the directors believe that and after tax of £76,000 (£66,000) prospects for the rest of the year net aftributable profits came out are encouraging

### Fitch Lovell makes good start to current year

He was encouraged by further improvement at Key Markets and a chitining healthy profits growth from the manufacturing

placed to withstand external factors and show further progress in 1978-79 and the corrent year showed the benefits of the group's balanced spread of interest, he

The chairman said vigorous action would continue to be taken the capning interests and whole-sale activities of which had year. The early months of the current year had shown signs of

the chairman said the salmon operation—which was about to At the annual meeting held

THE CURRENT year had got off . Crouch Group Mr. R. Clempto a good start at Fitch Lovell, son said he was confident the Mr. Michael Webster, chairman, group will record satisfactory told shareholders at yesterday's growth in earnings and net annual theeting. The first four assets per share for the current

Tapacott reported that the first larly hard any company in the

suitable measure of recovery this year. It would be manufacturing even more opt of time-scale, particularly at Norwich, with the inevitable adverse effect of profit-

said: " management accounts for the first four months of the current year continued to show satisfactory results, although the causing problems. Despite the strengthening of sterling, the forward order position remained

F. H. Tamkins - Mr. Garald Garman reported that results to the end of August were better than last time. But, in view of general labour relations; it was what the first half and full year

### FIRST HALF RISE IN SALES AND PROFITS

Unaudited results for the half year to 30th June 1979

•		•	
	First Half 1979 (1)	First Half 1978 (2) £000	Full Year 1978 (3) £000
Sales	38,041	20,707	66,624
Trading profit before interest	3,173	1,843	5,654
Profit before taxation	2,609	1,652	4,311
Profit after taxation	1,768	991	2,998
Retained earnings	1,230	730	771
Earnings per share	9.31p	9.16p	16.90p
Dividend per share	1.55p	1:48p	5,8960
Majahtad managa			

Weighted average number of shares

in issue 18,083,370 10,274,179 15,273,93

Mr. Robert Atkinson, Chairman, reports: -

- Profits before tax substantially increased.
- Earnings per share up on increased capital.
- Integration of Osborn bringing benefits from improved performances.
- Acquisition of Edgar Allen, Balfour achieved in July, integration commenced,
- We look forward to the future with enthusiasm
- and confidence.

 includes sales and profit before taxation of Samuel Osborn (South Africa) Ltd. up to the date of sale of £1,907,000 and £207,000 respectively.

(2) Includes no contribution from Samuel Osborn Group.

(3) includes sales and profit before taxation of the Samuel Osborn Group from 15th May 1978 of £24,151,000 and £1,359,000 respectively, of which £10,521,000 and £1,250,000 relates to Semuel Osborn (South Africa) Ltd.

### **Aurora Holdings Limited**

Nether Lane, Ecclesfield, Sheffield \$30 3TR

This advertisement has been issued by Spillers Limited.

# SPILLERS SHAREHOLDERS

### Continue to say 'No' to Dalgety's bid.

The holders of more than 80% of Spillers shares, excluding those held by Dalgety's merchant bank, have not accepted the offer.

Dalgety's profits are vulnerable with many uncertainties overseas.

Beware Dalgety shares.

Spillers is a sound, growing company — stay with us and reap the benefit.

The Directors of Spillers Limited have taken all reasonable care to ensure that the facts stated and opinions expressed herein are fair and accurate and they jointly and severally accept responsibility accordingly.

Some people -don't know when they are not wanted

Your Chairman's message is unchanged.
Ignore the offer. Do not sign any document sent by Dalgety.

# Share Registration

Hill Samuel Registrars Limited has been appointed Registrars of the following companies:

> **Briot** Investments Limited Tenks & Cattell Limited

Benjamin Priest & Sons (Holdings) Limited

Ransomes Sims & Jefferies Limited

All correspondence regarding registration or transfer of shares in these companies should in future be addressed to:



6 Greencoat Place, London SW1P 1PL, Telephone 01-828 4331 A member of the Hill Samuel Group

# Dalgety will not increase £70m offer for Spillers

**BIDS AND DEALS** 

day that " in view of the lack of half. any convincing arguments from Spillers and, in particular, the lack of any profit figures for offer terms was described by the six months ended August, 1979, there is no case for any improvement in the terms of the

The decision is binding and analysis shows that small share-Dalgety has thus deliberately holders, who own ground 85 forfeited the right to come back with higher terms at a later stage. Its offer first closed last friday and was accepted by holders of 29.1 per cent of Spillers' equity, including a 12.3 per cent stake held by Dalgety's financial advisors,

the right to extend again the bid lapses at the end of October. The latest move, explained Dalgety chairman Mr. David Donne, is designed to "knock out" the widespread speculation that the terms were about to be raised.

Mr. Michael Vernon, chairman of Spillers, made it clear that he had no plans to bring the publication of the group's interim figures forward from October 24, and was quoted yesterdy as saying that the management accounts for the period were "not terribly relevant." With flour margins under pressure and a disappointing contribu-

The decision to stick with the original one-for-six share Spillers as a "gambler's last throw or a ploy to winkle out fainthearted shareholders."

The defender claims that its per cent of the outstanding equity, are "unimpressed" with Dalgety's terms.

### HYMAN VENTURE

WITH USM L and J. Hyman has entered into agreements with United States Mineral Products whereby The bid has been extended they will jointly purchase cer-until next Monday and Dalgety tain rights to exploit new technology in the manufacture and processing of expanded poly-

> The rights will be acquired by The rights will be acquired by a joint company established in Switzerland (Cellofoam AG) owned by Hyman (51 per cent) and USM (49 per cent). The consideration payable by Cellofoam AG to acquire the rights in question will be U.S.\$375,000 plus the payment to the vendors annually of one half of the net profits of Cellofoam.

Cellofoam will, in addition, spend a further sum of \$150,000 in developing the rights acquired. Hyman's investment in Cellofoam AG will be U.S.\$237,000.
Cellofoam has agreed to enter into two licences to exploit the polystyrene technology—one re-

his latest round-up of the Canadian mining scene.

This, he thought, would severely

strain the producing capacity of Canada and the other metal

Canada's Department of Energy, Mines and Resources estimates that just to maintain Canada's present share of the minerals'

market will require the develop-

ment of 280 new mines-shout

equal to the same number that

Mr. Fargey said that the task

mining nations.

are now in operation.

Mr. Fargey pointed out that knowledgeable forecasters (including Cominco) expect world consumption of most metals to double within the next 20 years.

Dalgety will not increase its tion from Modern Maid in the 1200m share offer for Spillers. U.S., the group is known to The bidder announced yetser- have gone through a tough first the other relates to the reday that "in yiew of the lack of half

mainder of North America and has been granted to a new partnership (Cellofoam North America) established by Hyman and USM in New Jersey (in which Hyman's interest is 49 per cent and USM's interest is 51 per cent). Both these licences have been granted royalty free.

AVERYS/GEC Averys has advised its share-holders not to sell their shares. Mr.Richard Hale, the chairman, has given this advice in a letter has given this advice in a letter reminding Averys shareholders that the board is unanimously opposed to the bid by GEC.

The terms offered by GEC are "totally inadequate" says Mr. Hale. He says that he will write to them again shortly to explain the reasons why the offer should be rejected.

B & H/MINCORP Burnett and Hallamshire Hold-ings announces that acceptances of the recommended offer for Mining Investment Corporation

have been received from the holders of 94.72 per cent of the share capital of Mincorp.

The offer is now unconditional and all the other conditions of the offer will be satisfied upon the completion of the acquisition by Mincorp of the capitals of Waterhays and Oaken which is expected to take place on September 28. The offer will

until further

open,

Canadian view of rising

And he pointed to the impor-

tant part that the junior explora-tion companies could play in this, "with their ability in reacting quickly in acquiring ground and their skills in

Kerr Addison's C\$78m (£31m)

Agnew uranium mine near Espanola, Ontario, which started

production as recently as June, 1977, is to be run down over the next six months. Thereafter it

will be placed on a salvage leach

basis for as long as it is

economic to recover uranium from stocks of broken rock underground and on surface.

financing new ventures."

remain

demand for minerals

WORLD demand for minerals is a favourable regulatory and tax

expected to "escalate at remarkable rates," according to Mr.
Harold Fargey, executive vicepresident of Cominco, reports
John Soganich from Toronto in
his latest remarks as a revolution requirement, he expected that
the major mining companies
would accelerate their Canadian
exploration activities in the

# Homestake steps up its gold exploration

the largest gold producer in the U.S. has sharply expanded its exploration programme in order to increase its ore reserves. The programme is part of a plan to raise the contribution of gold to one-third of the group's net income over the next ten years. The exploration budget this year is \$10m (£4.6m), compared with \$2.5m in 1978, Mr. Harry Conger, Homestake's chief execu-

tive, said yesterday. Expenditure of \$10m is also planned for next year. The focus of the effort will be the U.S.

But the group has not been able to take maximum advantage of the recent surge in the bullion price. Production from its major operation, the century-old gold mine in the Black Hills of South Dakota, is running between 15 Dakota, is running between 15 and 20 per cent below normal.

This is because the group is investing in a change of mining methods, which eventually will permit the use of more mechanised techniques, Mr. Conger said.

Although income from gold will be substantially higher this year than last, the changes at

year than last, the changes at the mine are nevertheless adversely affecting earnings. But Mr. Conger would not offer an estimate of 1979 profits. As far as the gold price is concerned, Mr. Conger thinks it will stay relatively high at around present levels expressed in 1979 dollars. But he conceded

that Homestake, while expecting a rise, had underestimated the extent of it, by 50 per cent.

Coal action call A bid to break down the divisions between the minerals

from the ore, and has sustained

membership vote on Wednesday, September 19, 1979, ratified the agreement with a 77 per cent

majority.

substantial financial losses.

AMERICA'S Homestake Mining, industry, the U.S. government been closing and the number of and environmental interests was made at the American Mining Congress in Los Angeles by Dr. Michael Koleda, the executive director of President Carter's

commission on coal. He was arguing for a greater use of coal by power utilities and industry and made a plea for a unified approach to reducing U.S. dependence on imported oil.

The commission was estab-lished by President Carter last year to examine the state of the industry in the aftermath of a long and damaging strike.

Mining share markets advanced strongly yesterday in the wake of the climbing metal prices. South African Gold shares dominated the scene with strong buying from the U.S., the Continent, Johannes-burg and London impinging on a market none too well supplied with stock.

The pace of the buying quickened in the afternoon, immediately before the gold
"fixing" when the builton
price touched a highest-ever
\$397 per ounce. It subsequently

\$397 per ounce. It subsequently closed at \$3951, a rise of \$181 on the day.

Share prices lost only a fraction of their gains at the close and rises on the day extended to £31 in the case of West Driefuntein £311. The gold mines index showed one of its biggest-ever rises of 20.6 at 247.1, its highest since November, 1975. In ex-premium form it was 17 up at 214.3, the form it was 17 up at 214.3, the highest since August 1975.

Koleda's remarks cut across the prevail-ing mood of confrontation at the congress where intense anger has been constantly expressed about the aims of environmentalists the regulatory policies of

Administration.
The true significance of the passing of the 1970s is that the isolated approach to energy, the national security is no longer acceptable."

The coal commission estimates that the replacement of oil and gas in power stations and large industrial boilers by coal could save the energy equivalent of 1.5m barrels of oil a day by 1985 and 2.2m by 1990. Present U.S. energy consumption is equivalent of about 37m barrels of oil per day. Oil imports run at about 9m barrels par day.

His calculations were made against the background of depression in the coal industry caused by flat markets and sagging prices. Small mines have The Angle American Corporation group's Hudson Bay Mining and Smelting has signed a new three-year collective bargaining agreement to cover certified employees in the company operations in Flin Flon and Snow Lake. It will run from October 1, 1979, to September 30, 1982. A membership rate on Wednesder.

unemployed miners is rising. The reluctance of major users to burn more coal when it costs between one-third and one-half the price of oil are varied, Dr. Koleda noted.

Power utilities can pass on to their customers the higher costs of using imported oil without having to face inquiries into their charges, but they cannot pass on directly the cost of converting or constructing facilities

to use coal.
At the same time, the utilities are fearful of attempts by local citizens to block the building of new power stations and they want to keep a mix of fuel options, Dr. Koleda said. They are concerned that uncontrolled rises in rail freight charges will wipe out the benefits of coal

wipe out the benefits of coal relative to oil.

And, Dr. Koleda charged, environmental groups have not faced up to the fact that solar energy and greater conservation will not reduce oil imports quickly enough from their current levels.

### **ROUND-UP**

South Africa's Rand London Corporation announces a final dividend of 8 cents (4.4p) bringing the total payment for the year to June 30 to 11 cents against 10 cents. In August the company announced net profits of R3.11m (£1.72m) compared with R1.85m in 1977-78.

In the 12 weeks to September 19 Australia's Mount Lyell, a member of the Gold Fields group, milled 248,950 tomes of ore grading 1.35 per cent copper. This had a metal content in concentrates of 3,021 tonnes of copper, 75.927 grammes of gold and 403,282 grammes of silver.

Inspired by the strength of gold and silver prices, Australia's Mount Carrington Mines and Aberfoyle Exploration are concluding a joint venture deal conciding a joint venture dear for precious and base metal pros-pecting in the Drake mineral field of northern New South Wales. Aberfoyle, a member of the Comineo group, will manage the venture and can earn a 20 per cent stake by spending A\$200,000 in the first three years on the exploration work, this on the exploration work, this rising to 30 per cent with the expenditure of A\$800,000 over

ALVA INVESTMENT TRUST—Gross income for August 31, 1978, half-year E114.210 (£101.861). After expanses 59.202 (£8.278) revenue before tax £105.000 (£93,703). Net esset value per 25p share 217.3p (207p), interim dividend 4.025p (3.1828p) net.

### **Interim Dividend announcement** and statement for the half year ended 30th June 1979.

New Brainessand Premium Income for the Half Year (estimated and unaudited)

£36.1m
£67.3m.
£16.4m
£1,028m
£104m
£17im
£690m
֡

committee of a smooth abwarer of and was well spread over the Company's range of life assurance and pension policies. The greatest increase came from the Whole Life Plan, and this is reflected in the growth in new sums assured. Corrent business trends

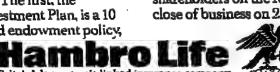
Since the 30th June the level of new business has continued at a rate substantially above that of the corresponding months of 1978.

The Company has just launched two new Plans. The first, the Maximum Investment Plan, is a 10 year unit-linked endowment policy,

New business during the half year with a high investment content and The second is a simple alternative to self-administered pension schemes for small companies, which should help maintain the Company's position as market leader in the field of executive pension plans. Interim Dividend

An Interim Dividend of 15p per Share, net of tax credit (1978, 1.2p per Share, after the share split), will be paid on 25th November 1979.

This dividend will be paid to all shareholders on the register at the close of business on 29th October 1979.



### Hambro Life Britain's largest unit-linked insurance company. Hambro Life Assurance Ltd., 7 Old Park Lane, London WIY3LJ.

# **Further improvement** in liquidity

Extracts from the Statement to Stockholders by Mr. Ivan C. Hill, Chairman

Last year I concluded my review of future prospects by underlining the point that to improve upon the profit of that year would require an upturn in international trading. There was in fact a downturn and as a result the profit is understandably lower than that of the previous year. Nevertheless the profit was adequate to support the policies which we are vigorously pursuing to secure a prosperous future for the Group.

The 1978/79 profit attributable to Illingworth Morris stockholders amounted to £2.82m compared with £3.25m for the previous year. Once again I am pleased to be able to report an improvement in liquidity, this time of over £1 m after full implementation of the capital expenditure programme at a cost of £2.67m.

World economic conditions are still depressed and in this climate an assured and profitable future for the Group can only be secured by continuing rapid and positive action to meet the situation. The policy must be, whilst setting out to ensure the maintenance of acceptable dividends, to use available resources to build up the Group's competitive strength to meet all

RESULTS AT A GLANCE		
Year ended 31st March	1979	1978
	£.000	£'000
Sales	120,797	119,710
Profit before Taxation	3,363	4,760
Profit after Taxation	2,958	3,464
Dividends	753	669
Earnings per Stock Unit	6.83p	9.860

The largest wool group of its kind in the world



Illingworth, Morris & Company, Limited

Registered Office: Victoria Road, Saltaire, Shipley, West Yorkshire BD183LD

### deposits needed will be "2 for-midable undertaking." But given of capacity, largely because of a **Directors admit conspiracy**

and fraud in tax case

SEVEN company directors yes- six charges of defrauding the terday admitted charges of con-spiracy and tax fraud in the first case to use the controversial section 23 of the 1976 Taxes Management Act, which gives the Inland Revenue power to search premises and seize

Judge George Elack at Birmingham Crown Court in March 1977, to search for evidence in a "spider's web" of fraudamong nine companies, said Mr. Benet Hytner, QC, prosecuting counsel.

At Northampton Crown Court yesterday the Inland Revenue pursued its prosecution of Kenneth George, Philip Barlow, and John Addison, directors of Tri-Kem Chemical Company, Northampton: Ernest Berrow, managing director of Jobe Plating, Birmingham; Trevor Wilden, partner of H. E. Wilden and Son Engineers, of Birmingham; Bruce Green, managing director of Janda Chemicals, Northampton; and Geoffrey Blanshard, managing director of Mile Chemicals, Northampton.

George, Barlow and Addison each admitted five charges of conspiring to falsify documents. Addison, Berrow and Wilden admitted conspiracy. Blanshard denied conspiracy but admitted

inland Revenue.

Mr. Hyiner said: "It was the first time that such a warrant had been granted and executed." in England. It was highly suc-cessful. Other people may have disapproved of the way this new power was used by the Inland

Revenue."
Mr. Hytner said £119,000 had
been lost in the frauds which ran over seven years to June, 1976. He explained the money was obtained by entering details on the invoices of each other's companies and were then entered into the accounts books as if purchases had actually gone shead.

gone ahead.

In fact, 'Tri-Kem's three directors split the proceeds they gained from avoiding the revenues which should have been charged, said Mr. Hytner. Barlow even had invoices printed with the names of three companies unknown to them: Van Leer (UK), the London packaging subsidiary of British Tar, Berk Chemicals of Basingstoke, and Fibre Drums of St. stoke, and Fibre Drums of St. Helens, Lancashire. Mr. Hytner said: "These

invoices were passed to Green probably in exchange for Janda invoices. Green used them to create false purchases in the Janda books." The case continues today.

# Galliford Brindley Limited

### PRELIMINARY RESULTS

Year to 30th June	1979 £	1978 <b>£</b>
TURNOVER	51,646,000	38,582,000
Profit before taxation Taxation	2,869,996 1,030,493	2,513,930 606,852
Profit after taxation	1,839,503	1,907,078
Final dividend pro- posed—per share Interim dividend paid	3.000p	2.667p
—per share	1.125p	0.75p
Total dividend paid and proposed	4.125p	3.417p

Profit announcement for the Half Year ended 30th June, 1979

☐ The unaudited Consolidated Group Profit after convertible loan stock interest for the six months to 30th June, 1979 is £17,962,000 as against £19,784,000 for the six months to 30th June, 1978.

	6 mont	hs ended	12 months ended
•	30.6.79	30.6.78	31.12.78
•	£'000	£'000	E000
Turnover	658,028	645,020	1,281,114
Consolidated Group Profit	17,902	19,784	. 38,607
Taxation	9,309	10,288	18,472
Profit after Taxation	8,593	9,496	20,135
Minority	264	277	556
·	8,309	9,219	19,579
Preference dividend	5	5	11
Available for Ordinary			•
Shareholders	8,304	9,214	19,568

Insurance Broking profits have been adversely affected by the higher value of sterling against the dollar and Bowmaker's credit finance business has suffered from the effect of high interest rates.

Singer & Friedlander has again shown an improved contribution as have the Underwriting interests. Trading and Shipping activities continued to operate in difficult conditions but are expected to show some improvement on last year's trading results.

☐ The figures shown above incorporate a change of accounting basis at Bowmaker which now takes credit for net leasing income in relation to funds invested. The effect of this change as opposed to the previous basis has been an increase in the profits shown above of £154,000 for the current six months, £716,000 for the six months ended 30th June, 1978 and £950,000 for the year 1978.

The adverse factors affecting the six months to 30th June, 1979 have continued since that date and are bound to affect the year's

☐ The Directors have resolved to pay an interim dividend of 1.47p per share which together with imputed tax credit amounts to 2.1p per share (1978 1.5125p per share). The interim dividend will be paid on 19th November, 1979 to Ordinary Shareholders on the Register on 19th October, 1979. This dividend will absorb approximately £1,609,000.



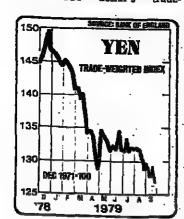


C. T. Bowring & Co. Ltd The Bowring Building, Tower Place, London EC3P 3BE

### CURRENCIES, MONEY and GOLD

# very weak

The dollar fell sharply in nervous foreign exchange trading yesterday, reflecting disappointment at the low level of support given by the Federal Reserve and news that Venezuela to to raise the price of heavy site. is to ruise the price of heavy oil by 6.05 per cent from Monday. The dollar was weaker against all major currencies except the Japanese yen, where it improved to Y223 to from Y002 Japanese yen, where it improved in Y223.40 from Y222.75. The U.S. currency fell to DM 1.7465 from DM 1.7645 against the D-mark, and to SwFr 1.5565 from SwFr 1.58 in terms of the Swiss franc. The dollar's trade-



weighted index on Bank of England figures, fell to 83.7 from

Sterling was helped by the decline of the dollar, but also lost ground against the major European currencies. The pound at \$2.2035-2.2045 fourhed a high point of \$2.2175. \$2.2185. Several European central banks, including the England, intervened to dollar, and as the dollar recovered storling fell to \$2.1900-82.1910. It closed at \$2.2927-\$2.2037, a rise of 1.47 cents on the day. The pound's index, as calculated by the Bank of England rose to 69.1 from 68.7, after standing at 69.0 at noon. and 69.5 in the morning.

YORK - The to stabilise in early after a sharp fall agains the D-mark from an early rate of DM 1.7444, but well down from the previous close of DM 1.7610. Central bank inter-FRANKFURT—The bank bought \$10.55m when the dollar was fixed at DM 1.7438

its lowest level since the October last year. On V day it was fixed at DM 1.7688 The German authorities and European central banks assistance to the U.S. Rumours that the Organisation o Petroleum Exporting Countries may be switching out of dollars into a basket of currencles or sterling added to the and the market was also nervous ahead of the U.S. trade figures. The Bundesbank probably intervened around the DM 1.7475 level, and the Federal Reserve

expected to give support

MILAN-The dollar under heavy pressure, falling to its lowest level since the end of October last year. It was fixed at L803.30 against the lira, compared with L809.35 on Wednesday, and the Bank of Italy sold half of the \$30.3m traded officially. EMS currencies and the Swiss franc rose sharply. The D-mark was fixed at L460.85, compared with LA57.71 pre-viously, and the Swiss franc rose to L517.80 from L512.40. Sterling

TOKYO-The dollar showed little change against the Japanese yen, closing at Y222.75, compared with Y223 on Wednesday. The U.S. currency touched a low point of Y221.90, and rose to a pest level of Y222.80 during the morning. Settlement import bills continued to help the dollar, but this was balanced U.S. trade deficit in August.

+0.52 -1.33 +0.19 -0.32 +0.49 -0.12 -1.07

**EMS EUROPEAN CURRENCY UNIT RATES** 

### THE POUND SPOT AND FORWARD

_	Uay a-			7- 120
Sept. 27	z presci	Close	One month -	p.a. months p.a.
U.S.	2.1900-2.2185	2.2027-2.2037	0.35-0.25c pus	3.63 0.80-0.70 pro 1.36
Canade	2.5600-2.5830	2.5805-2.5625	0.50-0.40c ps#	2.11 1.40-1.30 pm · 2.11
Neth!ad,	4,23-4,30	4.251-4.281	24-14e pm	4.57 St434 pm 4.46
Beigium	61.65-62.60	61.97-52.07	10c pm-par	0.97 18-3 pm 0.83
Donmark	11.10-71.33	11.204-11.214	73-93,ore dis	-9.10 183-203 dis6.96
resend	1.0267-1.0427	2,0299-1,0309	27-37 c dis	-3.73 77-87 dis -3.18
W. Ger:	3.87-3.88	3.847-3.8574	23-13pt pen	7.02 63-53 pm 6.50
Portuga!	107.50-109.00	107.95-108.25	30-80c die	-5.11 160-250 dis -7.40
Spain	144.70-145.25	145.47-145.57	25-75c dis	-4.12 125-225 dis -4.81
Itely	1,757-1,780	1,769-1,771	2 live pro-par	0.62 24-47 des -0.79
Norway	10.75-10.92	10.787-10.797	53-73 ora dis	-7.50 6-8 dis -2.50
France	8.95-9.11	9.03 - 9.05	13-3e pm	1.16 13-3 pm 0.61
Sweden	9.03-9.15	9.104-9.114	Zore pre-par	. 1.32 33-13 pm 1.21
Japan	465-495	4513-4923	2.90-2.60y pan	5.70 8.50-8.20 pm 5.79
Austria	27.40-27.95		250-2 duy par	
		27.62-27.72	20-10gre pm	
Switz.	-3.40-3.47	3.424-3.434	√4-3Nc pm	13.12 114-104 pm 12.54
D-1-1		and the same		

THE DOLLAR SPOT AND FORWARD

Sept. 27	Day's apresd	. Close	One month		Three months	74
UKt	2.1900-2.2185	2.2027-2.2037	0.35-0.25c pm		6.80-0.70 pm	_
irelandt	2,1260-2,1420	2,1370-2,1420	1.25-1.0c pm		2.70-2.40 am	4.77
Spenca	1.1661-1.1685	1,7807-1,1604	0.04c pm-par		0.20-0.16 pm	0.62
Nething.	1.9330-1.9365	1.9330-1.9345	0.55-0.45c pm	3.10	1.65-1.45 pm	3,70
Belgium	28.15-28.21	多.16-21.18	2-50 dis		3-7 dia	-0.77
Denmark	5.0900-5.1020	5.0900-5.0925	3.5-4.0ore dis.	-2.84	8.0-8.5 dis	-6.48
W. Ger.	1.7440-1.7470	1.7460-1.7476	0.30-0.70pf pm	5.15	2.25-2.16 pm	5.05
Portugal	48.90-49.15	48,50-46,00	25-40c dla			-8.78
Spain	68.03-66.06	68.03-66.06	30-50c dis.	-7.27		-8.86
taly	803,30-804,00	803,30-803,70	0.55-0.85 Hire dis.			-2.24
Norway	4.8850-4.0250	4.8990-4.9000	1.0-1.5are die		0.90-1.40dis	-0.94
France	4.0900-4.1025	4,1000-4,1025	0.10-0.17g dis		0.70-0.50dis	
Sweden	4.1250-4.1355	4.1345-4.1355	0.05orupm-0.15da			
Japan	222.20-223.50	223,30-223,50	1.0-0.85y pm		3.05-2.90 pm	
Austria	12,555-12,582	12,555-12,565	5.70-6.20gro pm		12.5-11.0 pm	
Switz.	1.5545-1.5580	1.5555-1.5570	1.50-1.45e pm		4.35-4.30 pm	

CURRENCY MOVERE

· CHERTHAN	BATTON
CURRENCY	HAILS

URF	REN	CY RA	TES	CURRENCI	MOVE	MEN I
36	Bank rate %		European Currency Unit	licet, 87	England	Morge Guarant change
	1012	1.30831	0.548544 1.40896	U.S. dollar	69.1 83.7 80.7	-86.6 -9.3 -17.0
in \$ Sch	834	16.6696	1.64588 17,9431 40,2435	Canadian dollar Austrian schilling Belgian franc		+22.8
F K	111	6.78882 2.31414	7.28292	Danish kroner Deutsche mark	115.8 156.3 207.1	+8.6 +45.1 +87.4
Fr,		5.48841	2,75072 5,85071 1140.27	Swise franc	124.7 100.9	+19.4
K	-54	291.099 5.50426	313.987 7.00254	Yen	55.3 126.7	-49.3 +25.1
Pes.			5.86691	Resed on trade we Washington agrees		

### OTHER MARKETS

Sept. 27	. &			Note Rates
Argentina Peso	3218-5233	1460-1470	Austria	E4.20
dustralia Dollar	1.9480-1.9580 63.54-64.54	28.85-29.35	Belgium Denmark	5334-5434 11.20-11.50
Finland Markka	8.20-8.22 79.713-81.627	3,7840-3,7260 36,40-36-55	France	9.00-9.10 1.00-3.90
long Kong Dollar	10.98-11.00	6.0050-5.0100	Italy	1,750-1,800
ran Rial	154.85-161.40 0.604-0.614	0,3759-0,2762	Netherlands	485 493 4,20-4,50
uxembourg Fre-	51-97-52.07 4.721g-4,731g	28.14-28.15	Norway	10.77-10. <b>87</b> 108-110
vew Zesland Dir.	2.1900-2.2000	0,9940-0_9970	Spain	1421g-1451g.
Mudi Arab. Riyal.	7.56-7.43 4.711 <sub>2-</sub> 4.721 <sub>2</sub>	8,1380-2,1410	Switzerland United States	5.40-3.50 2.171 <sub>2</sub> -2.19
th. African Rand	1.81-1.82	0.8280-0.8285	Yugoslavia	48-50

### EXCHANGE CROSS RATES

Sept. 27	PoundStarling	U.S. Dollar	Deutschem's	Japan'se Yen	FrenchFranc	NWINE PYRIO	Durtoh Gulla'd	Italian Lire	Canada Dollar	Belgian Fra
Pound Starting	0,454	2.205	3.848	492.5	9.043	3.429	4.968	1770.	2.562	62.08
V.S. Dollar		1,	1.746	225.4	4.104	1.586	1.495	805.4	1.163	\$8.15
Deutschemark	0,250	0,678	1.	127.9	2,550	- 0,891	1,105	460.0	0.666	16.12
Japanese Yen 1,000	2.051	4,476	7.818		18,57	5,965	8,659	5590.	5.204	126.0
rench Franc 10	1,106	2.456	4.255	544,4	10.	3,792	4,714	1967.	2.853	58.59°
wies Franc	0,998	0,548	1.122	148.5	2.687	1.	1,248	516.2	0.747	18.09
Outoh Guilder Ialian Lira 1,000	0.235 0.565	0.517*	0.908 2.174	215.5 · 378.1	5,109	0,804 1.937	2,408	415.2 1000.	0.601 1.447	14.55 35.04
Canadian Dollar Bolgian Franc 100	0,390	0,860 5,552	1.502 6.204	192.2 795.7	8.530 14.58	1,539	1,664 5,875	691,0 3854.	1. 6.130	24.21

### EURO-CURRENCY INTEREST RATES

Sept. 27 : Sterling	U.S. Dollar	Danadian Dollar	Dutch Guilder		West German Mark	French Franc	Italian Lira	Asian \$	Sapeness Yen
18hort term	11 to 11 to 11 to 12 to 12 to 12 to 12 to 12 to 12 to 12 to 12 to 12 to	101g-111g 101g-111g 111g-111g 111g-111g 111g-121g 111g-111g	878-918 878-918 978-94 915-944 958-956 976-974	per-14 1g-46 1.11g 14g-15g 2.21g 2.2-2-	511-615 548-612 7-714 71: 712 71: 710 712-710	12-14 12-14 12-15-1514 1315-1312 1316-1312	12:14 12:14 12:15:12 14:1-15:14 14:1-15:12 14:1-15:12	15%-15% 11%-11½ 18%-12% 12%-12% 11%-12%	51a-816 68-714 68-75a 712-716 714-71a 616-714

Languerm Eurodaliar two years 112-113, per cent; three years 1036-1135, per cent; four years 107-11 per cent; closing rates short-term rates are cell for storing. U.S. dollars and Canadian delians; two-day cell for anti-face and Canadian delians;

### INTERNATIONAL MONEY MARKET

# U.S. rates higher

Treasury bill prices opened FRANKFURT-Cail money was lower in New York yesterday quoted at 4.73-5.25 per cent comand the yield on 13-week bills pared with 4.80-5.00 per cent on rose to 10.32 per cent from 10.13 Wednesday and per cent and 26-week bills to money eased from 7.60-7.70 per 10 29 per cent from 10.21 per cent to 7.50-7.65 per cent. The Federal funds opened at three and six-month rates were per cent and rose to 111 unchanged at 7.90-8.00 per cent However the Federal and 7.95-8.05 per cent respec-Bank entered the tively, One-year money was market to inject liquidity by arranging overnight repurchase agreements with Fed funds BRUSSELS-Interest rates con having reverted to 1111 per cent. The Fed's action was much in line with expectations since it was generally understood that money would have to be pushed into the system for technical reasons. This was underlined by the arrangement on Wednes-day of four-day repurchase orders, designed to give the market a greater level of liquidity on a more permanent

basis than a day-to-day basis. PARIS—Interest rates were slightly firmer in the short end but eased in the longer period-so that rates for one, three, six and 12-month money were all at [13-11] per cent. However in later trading three to 12-month money firmed a little to 11i-11; per cent while the one-month rate eased to 11i-11; per cent. Call money remained at 112 per cent.

MURCE HATES	
NEW YORK Primo Rato Fird Funds Tre_party Bills (13-wook) Treasury Bills (20-wook)	13.25 11.8725 10.32 10.29
GERMANY	
Dcount Rate Cogranat: Rate Une month	6 6.0 7.65 7.95 7.95
FRANCE	
Discount Rate Overright Rate One month Tree months	9 5 11,50 11,4375 11,6875 11,6875
IAPAN	
Direction Rate	E DE

GOLD

# Record close

record 33941-3961. The metal opened at 3382-394, a rise of \$6 from the previous close, reflect-

ng upward pressure in New York and Hong Kong. Continued weakness of the dollar was a major factor behind the rise, but trading was fairly quiet until the afternoon, when further demand was seen from the U.S.

In Paris the 124-kilo gold bar was fixed at FFr 52,000 per kilo (\$395.64 per ounce) in the after-noon, compared with FFr 52,000 (\$394.95) in the morning, and FFr 51.500 (\$385.70) Wednesday

•	cent to 7.50-7.65 per cent. The	Sant	ember 27	Septemi	har 26	•
ì	three and six-month rates were	·	DINUGE ST			
	unchanged at 7.90-8.00 per cent	. Go	ld Bullion (fine o	lines)		
ì	and 7.95-8.05 per cent respec-	Ciose	£179-180; £173-£174-£)	\$376-378 \$372-374	(£171.9-172.8) (£171.8-178.8)	
•	lively. One-year money was	Morning fixing \$386.25	(£174,892)	8370.80	(£170.876)	
1	cheaper at 7.80-8.00 per cent	Afternoon fixing \$395.50	(£179,£43)	\$373.75	(£171.760)	
	against 7.95-S.05 per cent.		Gold Coins			
,	BRUSSELS-Interest rates con-	Krugerrand \$403.404 Maplelesf	(£1825 <sub>1</sub> -1841 <sub>4</sub> )	-9400-405	(£1764-1774)	
	tinued to climb yesterday as the	New Sovereigns, \$101-105	12455 <sub>1</sub> .464 <sub>1</sub> )	.5961q-981g '51101g-1123g	(2501 <sub>2</sub> -511 <sub>2</sub> )	
	Belgian franc remained under	Victoria Sovs 311534-11884	(20-561)	\$1141g-1161g		
	pressure within the European	Fr 20 Napoteon		FF1405-420	(3Fr156-160)	
	Monetary System. Deposit rates	100 Cor, Austria.		54654-4674 5867-8691 <sub>2</sub>		
	for the Belgian franc were quoted at 172-131 per cent from	\$20 Eagles 3491-495		1484.488		
	121-124 per cent for one and	\$10 Eagles		\$250-260 \$290-250	•	
	three-mouth, while six-mouth	Emiliani		- p-20-000		_
	deposits rose to 121-123 per cent					
	from 12-121 per cent. The 12-	UK MONEY	Day	r to day en	edit continue	đ
	month rate was also firmer at		ta be	in short:	supply in the	e

### UK MONEY

# Further

Bank of England Minimum Lending Rate 14 per cent (since June 12, 1979)

Day to day credit conti to be in short supply in the money market yesterday, the authorities gave a moderate amount of assistance This comprised moderate purchases of Treasury bills and a small amount of local authority bills, all direct from the discount In addition, they lent amount to one or two houses at MLR for repayment

dealt at 13½ per cent.

per cent compared with

AMSTERDAM - Call money

rise to 9-9; per cent from 87-9

per cent but one-month money

remained at 91-9; per cent. The three-month rate was firmer at

money stayed at 91-91 per cent.

HONG KONG-Conditions in the money market were tight, with call money at 131 per cent and overnight business also

LONDON	MORET	MATES								-
Sept. 27 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth- negotiable bonds	Нопре	Company	Discount market deposits	Trendity	Eligible Bank Blis e	Fine Tyade Bills o
Overnight	14%-14 14%-15% 14%-15% 15;-15% 15;-15%	12-17 153, 157, 157, 14 157, 14 14, 161, 16, 16 157, 13,	14-1410	: - !	141 <sub>2</sub> 141 <sub>2</sub> 141 <sub>2</sub> 141 <sub>2</sub> 141 <sub>3</sub> 145 <sub>6</sub>	=	1839-14 1819-1839 1834 1836 1849	15± 15± 15¥	14-1-14-1 1419-14-1 141-1419 13-1-1319	141g 141g 141g 141g 141g

### Open letter to Sir Dennis Rooke, Chairman, British Gas Corporation from Thomas Marshall & Co. (Loxley) Limited, Sheffield

From J. Roger Gledhill.

Dear Sir Dennis,-My company produces refractories used mainly by the iron and steel industries. The process involves firing the product in kilns and uses 8 million therms annually.

We have 1,000 employees and we export over 50% of our product regularly.

In 1971 we began our total conversion to North Sea gas and became one of many small industrial users who collectively make up an important sector of your total market. We are, however, too small, as an industrial company, to have any meaningful negotiations with the Gas Board on price increases and our protests over the current massive increase have gone unnoticed. We have, therefore, taken this unusual course to bring our comments to your attention.

I trust, therefore, that you will take time off from contemplating your fifteen year forecast to consider a few indisputable effects of your new pricing

Let me make five simple points:

- 1. The increase of 38.5% is penal; when applied to our three current contracts its effect will be to increase our annual bill for gas from £1.4 million to £2 million.
- As you will appreciate, to maintain our high export ratio we must perforce be competitive with European and United States producers. Following your 38.5% increase, our gas costs will exceed those of our competitors by the following amounts:

USA	127%
West Germany	23%
Belgium	. 62%

Gas costs are our second highest element of cost. Please reflect on these

They highlight a problem that you simply cannot ignore.

- Our Sheffield based Works are to begin paying the 38.5% on October 1st. Competitors in the U.K. who have contracts renewed from July 1st are paying a 16% increase only. We are, consequently, being penalised by 22%, or in this case 4.0% of the price of the product because our first contract with you back in 1971 was dated October 1st even though it was entered into several years before certain competitors bit on the gas bullet.
- Please give some thought to the commercial wisdom in the medium and long term of providing a mere 30 days warning of a 38.5% increase.

We obtain an important raw material from our friends at the National Coal Board, the total cost of which per annum is one-tenth the cost to us

The NCB may have had their problems over the years, but we have always found them approachable and flexible with an imaginative and well informed recognition of industrial realities in the world about them.

They have always recognised that their notice period for exceptional price increases must take account of large export orders taken by us at firm prices.

5. For some years now, one of our major export successes has been based upon the importation from Pittsburgh, Pa., of a cheap but special fire clay raw material.

We have been able to sell a finished product made from this in competition with the American product, not only in Mexico and South America but even in the United States and Canada.

The strength of the £ has put the market increasingly at risk.

It will, without doubt, be killed stone dead by your increases.

Our company is small and flexible and therefore it will survive. For many years we have given permanent, steady and gainful employment to over 1,000 and we have a good industrial record by any standard. The responsibility for our inability to continue to assure them of continued employment must be yours not mine as long as you compel us to pay so much more for gas than our European and American competitors.

It is our aim to be constructive. We accept, not only the need to damp down the demand for industrial gas by equating its price to that of oil, but also that industry generally is in sympathy with the Government's declared intention of falling in with EEC pressure to remove subsidies. However, your increase does exactly the opposite. It acts as an impost against U.K. exports and therefore U.K. employment. Until an EEC price has been established the need to hold industrial gas prices firm at a maximum of 19p must over-ride the desire to equate prices.

It is my hope that you will accept that whilst the primary purpose of this open letter is to secure both employment and sufficient profits to sustain future investment for my company, it is also my aim to ensure that you and the Government fully understand the effects on industry of your policies.

J. Roger Gledhill. Vice Chairman Storrs Bridge Works, Loxley, Sheffield.

American

ioins Bank

of England

supervisors

AN AMERICAN banker who

was bern in Argentina, Mr. Alberto Weissmuller, has

Alberto wessimiler, mas been appointed a chief adviser to the Bank of Eng-land on banking supervision. The post is new and his

time the Bank has recruited

a foreigner to its supervisory

Formerly chief executive in

London of United Inter-national Bank, Mr. Wels-mulier, 52, is described as having first hand experience

of the Eurocurrency markets.
According to a Bank official,
he will give "important practical support" to Mr. Peter
Cooke, the head of hanking

In the context of the current debate about control

f the Euromarkets, his

appointment reflects the Bank's view that "the super-

visory side and prudential control should be as good as

The move is a further step

in the conspicuous build-up

in the Bank's supervisory staff

since 1975. Coupled with the rapid rise of the volume of international banking trans-

acted through London, one important reason for this has

been the recent Banking Act

which gave the Bank much

responsibility, for supervision

of the banking sector than it

had before. Mr. Weissmuller will be

particularly concerned with

the Bank's policy on super-vision of foreign banks. He

will become a full-time em-ployee of the Bank when he

takes up the appointment on

United International Bank,

a London consortium bank, is being acquired by Privat-banken of Denmark, which will run it as its main inter-national subsidiary.

Chevron oil

By Our Montreal Correspon

CHEVRON STANDARD, &

subsidiary of Standard Oil of California, yesterday con-firmed that its Hibernia exploration well off New-foundland was much more

important than revealed one

week ago. The immediate effect of the statement was to

push up Canadian oil stocks.

reported a test rate of 800

13,573 feet and 13,626 feet,

Yesterday Chevron said the well had been deepened by about 230 feet and had "penetrated additional oil

The consotrium drilling the Hibernia well, besides Chevron as operators, in-cludes Mobil Canada, Guif Canada. Petro-Canda and

Petro-Canda Columbia Gas Development of

 Sheh Canada said it has made three more natural gas discoveries in the foothills of Alberta, Reuter reports from

arreis a day

A week ago the company

discovery

upgraded

greater formal power, and

supervision.

niment marks the first

### NORTH AMERICAN NEWS

# Washington | guarantees loans to

WASHINGTON-The Govern ment has agreed to gurantee Sill.im in loans for the LTV Corporation's subsidiary, Jones and Laughlin Steel, the Commerce Department said.

The Department said the usrantees would finance guarantees would finance a \$163.9m expansion and modernisation programme for

The guarantees will cover loans from four insurances companies which were not identified by the Department.

The Department said the project would help strengthen J and L's ability to compete with other bar and steel companies and assure continued operation of 16 manufacturing facilities in

The guarantees were provided under the Administration's special steel industry modernisation programme originally launched to help the domestic compete against imports

### \$372m bid by United **Technologies**

CARROLLTON-Mostek Corporation, the electronic circuits manufacturer, said the United Technologies Corporation has agreed to make a cash tender offer of \$62 a share for all of Mostek's common stock. This puts a price tag of \$372m on Mostek.

Mostek also said it had repurchased about 1.2m shares of its stock from Sprague Electric at 342 a share through the exercise of Mostek's right of first refusal and resold those shares to United Technologies at \$42

Mostek said that any shares United Technologies does not purchase in the tender offer will be acquired at \$62 a share in a subsequent cash merger transaction. Mostek has about 6m shares outstanding.

Mostek expects the offer to start in about 30 days.

### Exxon hearing called off

WASHINGTON-A scheduled hearing on Exxon Corporation's take-over of Reliance Electric has been cancelled as a result of Exxon's agreement on Monday to go ahead with the pur

John Pratt had Judge scheduled the session to consider Reliance's suit to force Exxon to put into escrow the \$1.17bm for the purchase.

Part tule necsure moor Exxon's decision to start posting payments to shareholders, and Reliance dropped its suit. The Federal Trade Commission is still opposed to the takeover on anti-competitive grounds and plans its own hearings later with the possibility of forcing a break-up.

Negotiations betwee Exxon and the FTC to reach a settlement have broken down, Exxon reported on Monday.

# Fourth Colgate attempt to sell Rubinstein fails

BY DAVID LASCELLES IN NEW YORK

its Helena Rubinstein cosmetics to sell Rubinstein to Hoechst, subsidiary collapsed for the the West German chemical fourth time yesterday, raising serious questions as to whether the Rubinstein operation can remain in existence.

According to a brief announcement from Colgate's New York headquarters, nego-tiations to sell Rubinstein to L'Oreal and Cosmair, L'Oreal's U.S. arm, had been terminated. No details were given.

Avon, were initiated last month chase price.

after an earlier agreement to The L'Oreal talks apparently after an earlier agreement to The L'Oreal talks apparently sell Rubinstein to Kao, the broke down because L'Oreal saw Japanese toiletries group, was little or no future for the cancelled. This was the second Relena Rubinstein organisation time Colgate had negotiated in its present form, and was

the West German chemical

Colgate bought Rubinstein for \$142m six years ago. How-ever, it failed to transform it into a universally healthy organisation. The operation's decline was

evident in the fact that the deal with Kao valued Rubinstein at \$75m, only slightly above half what Colgate paid Negotiations with L'Oreal of the latest negotiations had France, the world's second centered on a price of \$35m, largest cosmetics group after less than a third of the latest negotiations had centered on a price of \$35m, largest cosmetics group after less than a third of the latest negotiation.

COLGATE-PALMOLIVE'S long with L'Oreal, but those earlier not prepared to buy it simply running attempts to dispose of talks failed, as did an attempt for its assets, which are said its Helena Rubinstein cosmetics to sell Rubinstein to Hoechet, to be worth about \$35m.

Observers of the cosmetic market doubt that Colgate will now ever find a purchaser for Rubinstein, and that it will be forced to break up the company and sell its assets in odd lots to other perfume makers. As the negotiations with L'Oreal showed, the Rubinstein name itself is apparently worth very

Colgate's failure to make a success of Rubinstein is ascribed largely to its lack of experience in the cosmetics business, which is extremely competitive and fast-moving. Although Rubinstein was quite strong abroad its IIS course. strong abroad, its U.S. opera-tion is believed to have run at a consistent loss

# CAB bans airline merger

BY OUR NEW YORK STAFF

Civil Aeronautics Board voted lines and National.

of the most complex airline take-CAB had earlier approved

FOLLOWING the recommenda- Pan Am's takeover bid, but contions of both the Justice and fined it to National's domestic announced, Eastern's chairman, Transportation departments, the routes, omitting its trans- Mr. Frank Borman, the former Atlantic network. Pan Am has yesterday to bar the proposed since acquired 51 per cent of merger between Eastern Air- National's stock.

CAB based yesterday's vote This leaves Pan Am the un- on the contention that an disputed suitor for National at Eastern-National merger would e end of what has been one seriously interfere with the Europe routes are all great the most complex airline take—competitive—marketplace, parti-opportunities for Eastern." He over wrangles, lasting 18 months cularly in the east coast to regretted that CAB had pre-and involving four bidders. Florida routes, and in the sun-vented Eastern from obtaining

Shortly after the vote was astronaut, indicated that the airline would continue in its efforts to obtain National's transatiantic routes, primarily Miami-London. He said: "These Miami-to

vented Eastern from obtaining all of National

# Sharp rise in MGM earnings

Goldwyn-hayer's revenues and hotel division surpassed last and Reno, said the occupancy net income for the year ended year's \$21m in operating in-August 31 last were substantially higher than in the pre-vious year, according to Mr.

results were shown by all three operating divisions: hotel, gaming and motion picture and television. Final results are expected to be released in the first week of November.

come, Mr. Rosenfelt stated. Commenting on MGM's film 94.3 per cent for the year business, Mr. Rosenfelt said the despite the petrol shortage and Frank E. Rosement, the group plans to release a new president. In Maria 1978 MGM film every other month throughearned \$49.3m or \$3.39 a share, on revenues of \$401.4m.

Mr. Rosement said improved is setting records in many territies. tories in foreign distribution. MGM also plans shortly to announce its entry into the video cassette and video disc

Mr. Alvin Benedict, chairman

rate for both botels was 97.3 per cent for the fourth quarter and a two-month airline strike which adversely affected operations. He said MGM will begin construction on its hotel in Atlantic

City shortly after the firs of he Mr. Benedict said MGM will spend around \$200m during the next two years for its expansion DIOGISMMe.

## Ford Motor bank credit

together a large bank credit, ailing Chrysler Corporation has estimated by banking sources to be around \$500m.

Although Ford would not conbe the first time Ford has gone

U.S. \$25,000,000

Floating Rate Notes Duc 1989

UNITED OVERSEAS BANK LIMITED

(Incorporated in the Republic of Singapore)

In accordance with the provisions of the Notes, notice is hereby given that for the three month interest period from 28th September, 1979 to 31st December, 1979 the Notes will carry an Interest Rate of 12½% per annum. The relevant nature payment date will be 31st December, 1979 and

the Coupon Amount per U.S. \$1,000 will be U.S. \$33.78.

Credit Suisse First Boston Limited Acent Bank

FORD, the second largest U.S. current weakness of the car motor manufacturer, confirmed market plus the need to meet yesterday that it recently put aggressive price-cutting by the evidently squeezed Ford's cash

Ford also announced yesterfirm the figure itself, a spokes—day that it will temporarily man said he "would not suspend production at seven quibble" with it. This would assembly plants "to help suspend production at seven assembly plants "to help balance dealer inventories." to the banks in this way for About 16,400 workers will be several years. However, the laid off.

### Kaiser warns of steel loss

OAKLAND - Kaiser Steel Corporation expects a substantial pre-tax loss from steel operations in the third quarter and, as a result, will initiate a wide cost-cutting programme.

Kaiser said the directors have

approved the move to reverse continuing losses from steel, adding that losses were due to a deteriorating cost price squeeze and increased expendi-

tures for environmental control.

It will study the possibility of closing certain facilities, eliminating unprofitable product lines and reducing the workforce.

Reuter EUROBOND5

# Currency weakness hits straight dollar issues

BY FRANCIS GHILLES

THE WEAKNESS of the U.S. dollar and the record price of gold pushed straight dollar bond prices down by an average of 1 of a point yesterday after-noon in what was described by dealers as professional trading.

However, as has been the case so far this week, the hard cur-rency sectors of the market did not witness any major advance in prices: demand for new Swiss franc and Deutsche-Mark issues has been running at a

Two floating rate note issues were priced at par yesterday, with indicated conditions otherwise unchanged: the \$100m 12-

through Credit Lyonnais which includes a minimum coupon of 8 per cent, and the \$100m issue for the Philippines through Credit Suisse First Boston, which includes a minimum coupon of 6} per cent for eight The convertible sector, par-

ticularly where Japanese names are concerned, registered some sharp rise. The recent \$60m convertible for Mitsubishi closed at \$115}-\$1164. The steep rise in the share price in Tokyo was the major factor behind this sharp upward movement

Prices of Swiss franc-domi-nated bonds posted gains of up to a per cent yesterday but inflows of funds from abroad are being directed more to shares than bonds at present, according to Swiss bond dealers. Osaka Cement has arranged

a SwFr 20m five-year conver-tible through Banque de Paris et des Pays Bas (Suisse). The borrower is paying a coupon of 47 per cent. Meanwhile, Yamamura Glass has completed a SwFr 25m five-year convertible through Swiss Bank Corporation. The horrower is paying a coupon of 41 per cent. Prices in the D-mark foreign

| Silviss FrackC | Strange on Str bond sector remained firm though the level of trading was not very high. A DM 50m eight-year private placement for Holland's largest insurance company, Nationale Nederlanden, has been completed through Westdeutsche Landesbank. The borrower is paying a coupon of 7 per cent and the bonds have been priced

at par. The same bank priced the DM 125m ten-year public issue for Petrobras at par. Indicated terms, which include a coupon of 8 per cent were unchanged.

# Chrysler denies plan to sell Peugeot share stake

stake it acquired in the French possibility. motor holding company last

In Detroit yesterday, Chrysler Corporation said the sale of the stake was "one alternative" but that it had no immediate plans

any plan by Chrysler Corpora- Chrysler, mentioned the sale of tion to sell the 15.5 per cent the Peugeot-Citroen stake as a

However, the Chrysler spokes-man said, "It was a casual, off-hand remark. We are not negotiating with them now. We have not asked for a change in the agreement." PSA Peugeot-Citroen said

current agreements barred sale The spokesman confirmed by Chrysler of the shares until its former Spanish that in a meeting on Monday its absorption of Chrysler's French operations.

PSA Peugeot-Citroen said yes- with newspaper publishers, Mr. former European subsidiaries terday it had no knowledge of Lee Iacocca, the chairman of had been completed.

The U.S. group acquired its 1.8m newly created shares, valued at \$200m, as part payment in a deal in which it also

The deal provided for a transitional period up to the end of October, 1980. During this time, Chrysler would continue to have an interest in the earnings of its former Spanish, British and

# Italian retailer in French talks

BY RUPERT CORNWELL IN BOME

store group, Standa, a subsidiary of the chemicals group, Montedison, is understood to be studying the possibility of a joint venture in Italy with Carre-four, the leading French supernarket group.

A feasibility study will shortly be completed, on the basis of which the two groups will decide whether to go ahead with a project that would in-volve the launch of three or four hypermarkets in northern Italy.

registering a loss of L23.5bn its defict for the (\$28m) in 1976. Last year it year was L39.4bn. broke even, on sales of L984bn

THE LARGEST Italian chain increase from L18bn to L46bn indebtedness rose to L289bn at gramme.

Although no decisions have future prospects for the chain store and supermarket sector in Italy.

LIQUIGAS SpA suffered a loss of L37.4bn (\$45m) in the first seven months, AP-Dow Jones reports from Milan. The troubled chemical company did Standa itself has been steadily not report a comparable figure improving its performance since for the same period of 1979 but its defict for the whole of last, out through the issue of 2m Liquigas attributed the loss

(\$1.25\n), and this summer to heavy debt-service charges of announced plans for a capital L16\u03bdu. It reported that overall

as part of its recovery pro- the end of July from 1269bn

Creditor banks are continuing been taken, the possible joint to try to put together a consorventure reflects what are tium to recapitalise Liquigas. believed to be encouraging Directors warned the company will have to be liquidated if the bank salvage is not successful.

THE BOARD of Compagnie Industriali Riunite (CIR) Spa, the industrial holding concern, is to submit to a shareholders' meeting a plan for increasing the registered capital of the company to Libbn (\$18.5m) from Libbn, on payment,
The operation will be carried

shares to shareholders on the basis of one new share for two held at a price of L7,500 a share,

# Brazil pledge on debt control

FRANKFURT - Brazil will improve the range of its sources make extra efforts to make more of funds. effective the administration of its external debt, estimated at around \$50bn by end-1979, Mr. Karlos Rischbieter, Finance

Minister, said yesterday. He told a Brazil symposium that the efforts would include central attempts to achieve growing trade surpluses: to narrow Brazil's service deficit; and to International

Figures released by Brazil's central bank show the external debt as \$43.5bn at the end of 1978, while the trade deficit for

Y5.13bn from a Japanese consortium formed by the Japan year. Co-operation Reuter

Agency (JICA) and 16 Japanese

The two-year loan, to finance agricultural developments in the Brazilian state of Minas 1978 totalled \$988m.

Meanwhile banking sources in from JICA carrying fixed Tokyo said that the Brazil nearly interest of 2.5 per cent central bank is to borrow and Y1.03bn from the 16 banks with interest of 8.3 per cent per

### FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each mouth.

Closing prices on September 27

U.S. DOLLAR
STRAIGHTS
Alcoe of Australis 10 88 80 847, 851, -01, -02, 10.82
Alsw Howden XW 91, 81 30 178 80 0 0 13.08
Australian Res. 81, 84... 30 951, 86 -01, +03, 10.78
Australian Res. 81, 84... 30 951, 86 -01, +03, 10.78
Australian Res. 81, 84... 30 951, 86 -01, +03, 10.78
Australian Res. 81, 84... 30 951, 86 -01, +03, 10.78
Australian Res. 81, 84... 30 951, 86 -01, +03, 10.78
Australian Res. 81, 84... 30 951, 86 -01, +03, 10.78 OTHER STRAIGHTS issued Bid Offer day week Yeld Nordig I. Bk. 9 84 SDR 20 864 574 -64 -64 8.76 Avoo Fin. 104 86 CS ... 25 915 923 +04 0 12.07 Bell Canada 104 85 CS 60 872 884 0 -04, 11.17 Cr. Foncier 104 84 CS 30 934 94 -94 -04 12.12 Avec 0/S Cap. 104. 37 40
Seneficial Fin. 94. 37 100
CECA 104. 91 180
CECA 104. 91 180
CECA 94. 98 125
Canadian Pacific 94. 88 80
Carrer Hawley 94. 95 100
Complete inv. E. 104. 91 40
Commisco inv. E. 104. 91 40
CER 94. 96
CER 94

Bq. E. d'Alg. \$7, 88 SF \$6, 1961, 19 

\* No information evallable—previous day's price.

t Only one market maker supplied a price.

Streight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a wask certier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dre=Date next coupon becomes effective. Spread = Margin shows six-month offered rate († three-month) for U.S. dollars. C.cpn=The current coupon. C.yid=The current yield. Convertible bonder: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Chv. price=First date for conversion into sheres. Cnv. price=Nominat amount of bond per shere expressed in currency of shere at conversion rate fixed at issue From = Percentage premium of the current effective price of acquiring sheres via the bond over the most recent † Only one marker maker supplied a price.

○ The Financial Times Ltd., 1979, Reproduction in whole or in part in any form not permitted without written consect. Data supplied by inter-Bond Services (a subsidiary of dateSTREAM International).

# Crédit Lyonnais

Negotiable Floating Rate U.S. Dollar Certificates of Deposit. Maturity date 29 September 1980



In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the six month interest period from 28 September 1979 to 28 March 1980 the Certificates will carry an Interest Rate of 131/16% per annum.

Agent Bank The Chase Manhattan Bank, N.A., London



here with the permit as of the C. period from 28th September, 1979 to 31st March, 1930, the Certificates will carry an Interest Rate of 12 to per annum. The relevant interest payment date will be 31st March, 1980.

Credit Seisse First Boston Limited

اعكذا من الدُّ عل

Companies and Markets

### INTERNATIONAL COMPANIES and FINANCE

# Sweeping change at the top in Italy's financial community

THE RESIGNATION of Sig. controlled banking system. For Giorgio Cappon from the president a short period he was president dency of Istituto Mobiliare of the Montedison control syndi-Italiano (IMI), the state-owned cate, within which the struggle medium-term credit body, and was at its most intense. medium-term credit body, and the launch this week of the and politics through much of

These events also coincide with a number of sweeping changes at the heart of the country's banking and financial establishment, ranging from the central bank downwards.

rench tal

Already Dr. Paolo Baffi has stepped down as Governor of the Bank of Italy, to be replaced by Dr. Carlo Ciampi, and within by Dr. Carlo Ciampi, and within the last few days Sig. Alberto Boyer, former managing director of the glant state conglomerate Istituto per la Ricostruzione Industriale (IRI) has been appointed chairman of the state-controlled Credito that in the third largest com-Italiano, the third largest com-mercial bank in Italy.

Now, in addition to IMI, there are vacancies to be filled at another leading medium-term institute. Icipu. and at Cariple the Lorentz and at (\$211m) less the division.

ANIC, the chemicals subsidiary of Ente Nazionale idiocarburi (ENI) lost L178bm (\$211m) less than the chemicals subsidiary of Enternal Section (\$211m) less than the chemicals subsidiary of Enternal Section (\$211m) less than the chemicals subsidiary of Enternal Section (\$211m) less than the chemicals subsidiary of Enternal Section (\$211m) less than the chemicals subsidiary of Enternal Section (\$211m) less than the chemicals subsidiary of Enternal Section (\$211m) less than the chemicals subsidiary of Enternal Section (\$211m) less than the chemicals subsidiary of Enternal Section (\$211m) less than the chemicals subsidiary of Enternal Section (\$211m) less than the chemicals subsidiary of Enternal Section (\$211m) less than the chemicals subsidiary of Enternal Section (\$211m) less than the chemicals subsidiary of Enternal Section (\$211m) less than the chemicals subsidiary of Enternal Section (\$211m) less than the chemicals subsidiary of Enternal Section (\$211m) less than the chemicals subsidiary of Enternal Section (\$211m) less than the chemical Section (\$211m) less than the chem Cariplo, the Lombardy region savings bank organisation that ranks fourth in the national banking league by deposits.

Between them IMI and ICIPU are estimated to account

for as much as half the total of medium-term lending to industry, with some L14.000bn (\$17.5bn) of outstanding bonds. But the flow of new credit has been throttled back sharply since 1977—largely as a result of the acute financial difficulties have overtaken the principal borrowers, the steel industry, and above all chemicals.

The old SIR of Sig. Nino Rovelli, a protagonist in the hostilities with Montedison. italy's largest chemical group, collapsed under the weight of 12,000bn of debts.

IMI, the lending institute most heavily exposed, had over L1,000bn of credits outstanding to SIR. To sort out its finances. it this summer won approval for a L400bn capital increase, part of which will go towards the new SIR consortium, which in turn will lift its own capital

The lion's share of the blame banking consortium to rescue for what happened probably Societa Italiana Resine (SIR), should be attributed to the poliin some respect mark the end ticians, particularly the of the "chemical war" which has convulsed Italian industry mately control the banks, and who in large measure sponsored the headlong expansion of the chemical companies, which was fated to end in disaster with the oil crisis.

But inevitably some of the responsibility lies with the banks, and as the scale of the SIR crisis emerged, Sig. Cappon came under increasing pres-sure. He is reported to have intimated his wish to go three months ago, but waited until the consortium was irrevocably on its way.

SIR of course is not the only casualty. Montedison has now embarked on a painstaking recovery programme; but is still weighed down by its loss-plagued textile division.

(\$211m) last year, though it managed to halve its deficit in the first half of 1979. Meanwhile, negotiations for the launch of another banking consortium to salvage the Liquigas group of Sig. Raffaele Ursini are still bogged down. There are also other issues

to be resolved. In the first place, successors at IMI and Icipu have to be named no formality in a country where the top posts in the state-controlled banking system are regarded as key power-bases, in which the parties and their factions fight to place their own sympathisers.

Secondly, and perhaps more important still, there is the judical inquiry into the SIR collapse, which has led to charges against Sig. Cappon and more than 50 other leading financial figures—including of course Dr. Baffi himself and Dr. Mario Sarcinelli, deputy direc-tor general of the Bank of Italy-relating to alleged mismanagement of state funds.

Moreover, one of the magi-strates involved, Sig. Luciano Infelsi, at one point sought to shortly to L700bn, under the have Sig. Cappon arrested, rescue plan drawn up by IMI. along with four other figures in Sig. Cappon, like Sig. Rovelli, the SIR affair, including the was deeply involved in the company's ex-chairman. Sig. battle within the industry to Rovelli. The future course of secure the subsidised loans on the investigation is impossible

# Two new offerings for Belgian bond market

THE RE-EMERGENCE of Bel- offerings will command just gium's primary bond market under par when issue prices are gathered pace yesterday follow- struck next week ahead of the ing the announcement that the cities of Antwerp and Liege are Wednesday, October 10. between them to borrow

BFr 11bn (\$385m). this month of the Belgian State offering—which raised a record Routes, the state roadbuilding amount for a government bond fund, which is expected to raise of BFr 69.5hn (\$2.4bn)—and around BFr 30hn. In December comes after the weekend realignment of currencies within

the EMS.
The EMS realignment has, for the moment, eased the upward pressure on Belgian interest rates, although dealers in Brussels continue to stress very slowly. However, the two new issues—both over eight years on a coupon of 10 per ears on a coupon of 10 per market through the issue of ent—are expected to prove eight year bonds with a coupon uccessful.

Dealers predict that the two expected to be 991. cent—are expected to prove

THE TOKYO stock market is

back to Japanese shares in large numbers and at the

moment shows little sign of

increases in the term ending next March

is generally expected to slow to perhaps half that pace late this year and into 1980. Despite

the adverse impact on com-modity prices of the recent oil

price increases private demand

remains strong led by consumer

spending and a recovery in cor-

porate investment in new plant

opening of subscriptions on

The domestic bond programme in Brussels includes two The funding move by the two more issues this year. The next, cities follows the success earlier at the beginning of November, will be for the Fonds des a bond for Regie des Telegraphes et des Telephones will be issued and should raise BFr 12bn.

This month's borrowing by the government lifted bond issues by the Belgian states to BFr 246m.

The West German state of Lower Saxony is raising DM 250m on the domestic bond

### Hutchison contests HK Bank valuation

THE SALE by the Hougkong and Shanghai Banking Corporation to Cheung Kong (Roldings) of the effectively controlling stake of 23. per cent in Hutchison Whampon for HK\$639m (US\$128m) brought further repercussions here yesterday.

The board of Hutchison said that the net asset value of its shares was HK\$14.30, or more than twice the price that Cheung Kong was paying the Hongkong Bank. The estimate was based on up-to-date valuations of Hong Kong property, which has been seeing its biggest boom since 1973. The Hutchison board contains two property of the Hong. two nominees of the Hong-kong Bank. One of these resigned after yesterday's meeting, to reflect the bank's reduced interest in the compuany. It has sold all its ordinary shares but retained HK\$90m nominal of preference shares. Mr. Bill Wyllie, the Hutchison chairman, said bluntl that the shares had been sold too cheenly. The been sold too cheaply. The bank had not consulted with the Hutchison board, he said.

The Hongkong Bank then hit back with its own statement, claiming that a theoretical break-up value was of limited relevance. The bank was taking a handsome profit and being paid a reasonable premium over the market price of the shares around HK\$5.60 before the announcement of the HK\$7.10-a-share sale The bank said this price was fair to both buyer and

However, the market's view is reflected in its now having bid Hutchison shares above the bank's price. Its opinion is coloured by land prices and by the fact that Cheung Kong was acquiring control, not just making an investment.

Share prices of propertyrich companies have tended to lag behind property prices. as reflected in Government land auctions. This made it attractive for Cheung Kong to try for a land-rich company rather than buy land on the open market

Mr. Wyllie attributed the poor Hutchison rating to unif, when, and how, the hank would dispose of its Butchison stake. The bank had always said that it did not intend its investment to be permanent, but had given no further cines to its intentions.

It is widely believed that Cheung Kong will try to in-crease its stake, to make its control impregnable. Hutchison's asset statement will tend to make further purchases the more expensive for Cheung Kong, but under the Hong Kong Takeover Code there is no specific point at which an offer to all shareholders becomes mandatory. On the other hand, Hutchison could only increase its outstanding equity by 10 per cent without seeking shareholder approval. That would be insufficient seriously to dilute Cheung Kong's stake.

The asset statement helped to push Hutchison's price up 80 cents to HK\$ 7.70 at the close after touching HK\$ 8.20. Cheung Kong edged up 30 cents to HK\$ 17.60, but the rest of the market encountered profit-taking after Wednes-day's 25.6 point jump to 668.29 on the Hong Kong

### MITSUI GROUP FINANCE

# Challenge to the old order

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

MITSUI BANK, the key finan- its "owned capital" to a single cial institution in the Mitsui borrower. as the main financing source of Mitsui and Company if the Japanese Government insists on the strict enforcement of a guideline limiting the exposure of Japanese banks to individual clients.

Mītsui Bank ranks seventh among Japan's City banks, while Mitsui and Company holds second position among the Japanese trading concerns investments.

Mitsui and Company has

traditionally been a heavy borrower from Mitsui Bank as well as from other institutions, such as Fuji Bank and the Bank of Tokyo — but

On March 31, 1978, the last date for which figures are available, Mitsui Bank had a total

of Y149bn of loans outstanding to Mitsui and Co., while the Bank of Tokyo had outstanding loans of Y127bn. Enforcement of the Finance Ministry ceiling would reduce the Mitsui Bank exposure to Y85bn, whereas Bank of Tokyo lending would be reduced by only Y14bn to

a financing source for Japan's number two trading company, severely damaging the prestige of Mitsui Bank if not directly

OF MAJOR COMPANIES AT MARCH 21 1979

Mitsui and Co. Mitsubishi Corp Marubeni Corp C. Itoh aud Co. Toyo Menka Tokyo Electric

This would leave the Bank Tokyo lendings to Mitusi and borrowers. Co. said yesterday afternoon that "whatever happens" there

EXCESS BORROWINGS

its owned capital to individual A senior official of Mitsui and

institutions, such as Fuji Bank of Mitsui Bank if not directly and the Bank of Tokyo — but it could be forced to repay one reason why Bank of Tokyo leading of Mitsui and Y86bn (\$385m) of loans to its sister company by the end of Mitsui and to be reduced by a relationship, which normally much smaller amount than regulations remain in force. The rules in question stipulate the Bank of Tokyo is legally sultancy services, as well as that from March 31 onwards classified as a foreign exchange financial support. Mitsui and that, from March 31 onwards classified as a foreign exchange financial support. Mitsui and no Japanese City bank should bank—a position which allows Co. apparently has no intention lend more than 20 per cent of it to lend up to 40 per cent of of allowing any other bank to

not alter the fact that strict adherence to finance Ministry " could push Mitsui Bank into a secondary position in a strictly financial sense.

The · Finance Ministry an-nounced its intention of limiting City Bank exposure to individual corporate borrowers in December, 1974, at a time when Japan's major business groups were being criticised as "anti-The regulation, which technically takes the form of "guidance" from the director eneral of the Ministry's Banking Bureau, was intended to prevent the major groups from becoming too highly centralised around individual banks and from indulging in excessive take-over activity.

Expansionism by the major groups is less of an issue today than in 1975, but the Pinance Ministry has so far stuck firmly to the implementing of its original rules, except in the case of one company—Tokyo

take over these aspects of Electric Power. Tokyo Electric Mitsui Bank's role, This does had a total of Y140bn of had a total of Y140bn of "excess" borrowings outstand-ing from City banks at the end of March and is being granted special consideration in the application of borrowing guide-

> Mr. Masahiko Seki, the president of Mitsui Bank, who also happens to be the current president of the association of Japanese Banker's Federation, said recently that he had asked the Ministry of Finance to consider exempting trading companies from the MOF guidelines. The MOF has yet to agree to this request but some bankers claim to be able to detect "some signs of flexibility ' in its position. Because of hopes that the MOF may relent, Mitsui to repay the total of Y144bn of "excess" borrowing which it will need to write off its books if it is to conform with the MOF guidance by March next

# Sharp rise in earnings at MAS

MALAYSIAN AIRLINE but deteriorated into a sharp (US\$18.7m), from 17.1m ringgit the previous year.

The airline earned an extra 6.4m ringgit in foreign exchange gains, but because it is taking the opportunity to write off all deferred charges amounting to 18.4m ringgit, the net profit was 28.2m ringgit. The earnings are the highest

in the airline's seven-year old everely affected by an indusarose from a normal pay claim, 69 per cent.

Revenue for the year rose by number of passengers carried and Jeddah, via Kuala Lumpur, rose by 7.2 per cent 40 2.84m was opened this year.

while cargo and mail grew by 15 The MAS fleet consists of

Operating expenditure less significantly, by 9.6 per cent history, and is impressive con-sidering the fact that MAS was employee increased to 67,083 ringgit from 62,706 ringgit. The trial dispute in January-Feb- passenger load factor grew ruary this year. The dispute marginally from 68 per cent to

per cent to 40,600 tonnes.

Raja Mohar, the chairman, SYSTEM (MAS), the Stateowned carrier, has reported a
sharp increase in earnings for
the year to March, with after
tax operating profit rising by
135 per cent to 40.2m ringgit
(Increase in earnings)

Outcome to the stress of the union said that despite the undertain
world economic outlook and
spiralling fuel costs, the sirline was "cautiously optimistic"
about its prospects. Three new
dispite, while MAS flights to
already to the arrest of the union said that despite the undertain
world economic outlook and
spiralling fuel costs, the sirline was "cautiously optimistic"
about its prospects. Three new
already that despite the undertain
world economic outlook and
spiralling fuel costs, the sirline was "cautiously optimistic"
about its prospects. Three new
already that despite the undertain
to the arrest of 24 unionists,
spiralling fuel costs, the sirline was "cautiously optimistic"
about its prospects. Three new
already that despite the undertain
to the arrest of 24 unionists,
spiralling fuel costs, the sirline was "cautiously optimistic"
about its prospects. Three new
already that despite the undertain
to the arrest of 24 unionists,
spiralling fuel costs, the sirline was "cautiously optimistic"
about its prospects. Three new
already that despite the undertain
to the arrest of 24 unionists,
spiralling fuel costs, the sirline was "cautiously optimistic"
about its prospects. Three new
already that the union said that despite London and Australia were sus-pended for a month. The dis-pute cost MAS an estimated ordered for delivery in 1981. 15m ringgit. would be increased, while a 15 per cent to 481m ringgit. The profitable route between Seoul

> The MAS fleet consists of two DC 10s, three Boeing 707s. nine Boeing 737s, nine Eokker 27s, and four Brittan Islanders, serving 36 domestic and 19 international points.

The Airbuses would replace the Boeing 707s which are up

# HONGKONG LAND Company price—HK\$700m—that it paid announced an 8 per cent infor Gammon House, an office crease in after-tax profit for the block it bought from its sister six months to June to company, Jardine Matheson last HK\$147.4m (US\$188m). In year, addition, the group made extra-

BY OUR HONG KONG CORRESPONDENT

back HK Land

Finance costs hold

The interim dividend was unchanged at 14 cents. No forecast for the full year was given, except that earnings would be "satisfactory." In 1978 Hong-kong Land made HK\$279.5m.

The latest result may disappoint the market, which has become used to the bigger profit increases from most companies reporting recently, parti-cularly those connected with property. However, most of HK Land's earnings are from

ordinary profits of HK\$59.2m. was largely through a HK\$600m syndicated loan with an average spread of 1.25 per cent over the Hong Kong prime rate. That is expensive at present. with the prime rate at a record 14.5 per cent and well above Gammon House's rental yield at the purchase price.

WAH KWONG Shipping and Investment raised its profit for the six months to June by 27 per cent to HK\$44.7m (U.S.89m). For the whole of rentals not property develop-ment. Also, earnings this year interim dividend is being raised are being held back by the high by I per cent

# **Bell Group doubles its profits**

Australian transport and invest-ment company headed by the raid on the shares of Kathleen Perth businessman Mr. Robert Investments, having spent over operations, the directors Holmes a Court, more than A\$15m on the move. It is also doubled earnings in the year to in the middle of an A\$30m of the profit increase. Austra-June 30 and plans a three-formarket operation to purchase lian growth came from asso-one scrip issue. Earnings 20 per cent of Ampol Petroleum. ciated companies, immed from A\$1.9m to A\$4.1m

The convertible issue is one

Domestic trading conditions jumped from A\$1.9m to A\$4.1m (U.S.\$4.6m), the eighth consecutive record.

Bell Group has been participating in the market contest to at yearly intervals starting in acquire shares in Ansett Trans- 1981. port Industries, the transport and airline group. Bell at present has 12.5 per cent, and has announced its intention to lift its stake to 20 per cent.

Turnover rose, marginally from A871.3m to A\$71.9m. The final dividend is raised from 15 cents a share to 20 cents, lifting the full pay-out to 30 cents Shares created in the scrip issue will receive a final of 5 cents a share and thereafter rank equally. The directors expect to pay an annual dividend of 10 cents a share on the enlarged capital.

Pioneer Concrete Services, the Australian-based international quarrying and building products group, raised its profits per cent to a record A\$23.8m (US\$26.7m) on a 32 per cent gain in turnover to A\$447m (US\$502m) for the year to June 30. 1979.

pany has announced an A\$25m convertible note issue. On Wednesday Pioneer gained virtual

BELL GROUP, the Western control of the Nabariek uranium equalled 25.8 cents, compared

The convertible issue is one note for every ten shares held. The notes have a 10-year maturity and can be converted

Conversion is one-for-one at \$1.85 each, a 12 per cent premium on the market price of A\$1.65. The interest rate is 10,75 per cent.

Pioneer is holding its dividend at 10 cents on capital in-creased by a one-for-eight scrip Earnings per shre year.

Strong growth in overseas operations, the directors said, accounted for about 60 per cent

improved in the second-half and continued in the opening Continued improvement in Hong Kong, Israel, the UK and Spain helped the overseas divi-sion's result. Italian operations reduced their trading losses. The group completed its first year of operation in the U.S. with the expected losses associated with start-up costs. Three

plants are now operating there

with another three to start next

# THE KYOWA BANK

LIMITED

US \$10,000,000

NEGOTIABLE FLOATING RATE CERTIFICATES OF DEPOSIT MATURITY DATE MARCH 28, 1982

In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the Interest Period from September 28, 1979 to March 28, 1980 the Certificates will carry an Interest Rate of 13 in % per annum.

FIRST CHICAGO

This advertisement compiles with the requirements of the Council of The Stock Exchange.

U.S. \$100,000,000

# Republic of the Philippines



Floating Rate Notes Due 1986

The following have agreed to subscribe or procure subscribers for the Notes:

**Credit Suisse First Boston Limited** 

Abu Dhabi Investment Company Amsterdam-Rotterdam Bank N.V.

Banque de Paris et des Pays-Bas DB Finance (Hong Kong) Limited

Dillon, Read Overseas Corporation Manufacturers Hanover Limited The Nikko Securities Co. (Asia) Limited

**Amex Bank Limited** Ayala Finance (HK) Ltd. Citicorp International Bank Limited

DBS-Daiwa Securities International Limited Lloyds Bank International Limited Merrill Lynch International & Co.

Orion Bank Limited

Philippine National Bank

The Notes, issued at 100 per cent., have been admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the Notes.

Interest is payable semi-annually in April and October, the first payment being made in April 1980. Full particulars of the Notes are available in the Extel Statistical Service and may be obtained during usual business

hours up to and including 12th October, 1979 from the brokers to the issue: James Capel & Co.,

Winchester House, 100 Old Broad Street, London EC2N 1BO

**TOKYO STOCK EXCHANGE** 

# BY RICHARD C. HANSON IN TOKYO

experiencing another of its remarkable price booms. The rally has lured foreign investors

stocks compared with the amount of funds which has owed into the market, essentially for a lack of other investment opportunities.

While individual interest of the stocks are putation for coping with fast changing and difficult economic environments. Secondly, there is a feeling that the Yen runs interest of further deprecation after steady declines the stocks.

collapsing despite potential economic difficulties. Yesterday the Nikkei Dow index of 225 stocks soared nearly Y62 to a record Y6,539.71 after a moderate decline on record levels reflects renewed confidence in the

Wednesday, it was the biggest single day gain since May. immediate Japanese business outlook. The rally has angle day gain since May.

The recent performance of Tokyo share prices reflects a great deal of renewed confidence that Japanese business is attracted many foreign investors back to Japanese dence that Japanese business is doing well, and will continue to show healthy results at least into early 1950. Most surveys published recently indicate rather sharp gains in operating profits in the half year ending this month followed by smaller increases in the term and ingress that the term and in the term and ingress that the term and in the t

half years. Foreigners have returned since early August as big net buyers for the first time in more

The second week of September saw the heaviest buying by foreigners since March 1975. bringing the half-month net buy-ing to about Y11.3bn, according

blue chip stocks such as light electronics and makers of such precision machines as cameras tends to act as a rallying call for the stock dealers who need

sales sprees. The present business accounting period ends September 30, of individuals has increased 8.7 of indiv ing period ends September 30, but stocks went ex-dividend for the term earlier this week. This prompted Nomura Securities to

apparently speculationprone public in advance of the other big four houses. The excess demand for Japanese shares will probably con-tinue for the foreseeable future regardless of setbacks the market may see if OPEC prices are raised again at the end of The Government's attempts to

curb inflation by tightening credit could threaten stock prices if serious slowdowns in Although monetary authorities may boost the official discount rate (following a steep July increase), such a move would mark a peak in interest

Demand for stocks is solid

because the value of new share issues—about Y500bn to Y600bn a year-which pass directly into the hands of investors and not through the market—barely keeps up with net new buying by institutional investors. An indication of the enormous rethat the value of paid-in capital for listed Japanese companies has risen only 2.8 times since 1963 to Y11,200hn. But the

# Foreigners lured by stock boom

Underlying the strength of major factors. First, Japanese share prices, however, is a built-business has gained a solid in imbalance in the supply of reputation for coping with fast

While individual investors Foreigness have been ignor-have had a net outow of funds ing past disadvantages of buy-The recent increase in Tokyo stock market prices to

from the stock market, cash ing Japanese shares, including heavy life insurance, other financial institutions, and corporations have been pouring funds in for the past two-and-half years.

The foreign buying, mainly of blue chip stocks such as light plant the past two-and-half years.

The economy as a whole is than four years. In August net still growing at an annual pace foreign buying of shares totalled about Y15bn (\$68.2m).

to securities house estimates. Foreign investors, including some institutional investors buying their first Japanese shares,

appear to be motivated by two

little excuse to produce flurries of buying and selling. This is particularly true now because the major securities houses are gearing up for (or have launched) beginning-of-the-term sales coreas.

nominal value of Japan's GNP unleash its huge sales force on last year.

Cazenove & Co., 12 Tokenhouse Yard, London EC2R 7AN

28th September, 1979

# Wall St. dips and rallies in morning session

INVESTMENT DOLLAR

of another round of oil price increases, Wall Street partially recovered to make a mixed show-

ing at mid-session after fairly active trading. The Dow Jones Industrial Average, after an initial decline of three points, picked up to

Closing prices and market reports were not available for this edition.

0.85 at 887.20 at 1 pm. The NYSE All Common Index was a net 6 cents up at \$62.63, while rises and falls after the morning session were about evenly matched. Turnover amounted to 23.56m shares, down from Wednesday's 27.17 level at 1 pm. Sources in the Rotterdam oil market predicted that Nigeria, Algeria and Libya may raise oil prices by \$5 a barrel from October 1.

Invesors were also concerned about the record high gold price fixing of \$395.50 an ounce in London and further weakness in the dollar.

Analysis added, however, that its ground in the face of so many negatives had attracted some Cominco rose 21 to \$401 and buying, although strength was O'Okiep Copper 31 to \$472.

NEW YORK

concentrated in Metal and Oil

\$2.60 to £1—36% (36½%)

Effective \$2.2032 15½% (14½%)

AFTER AN easier start on fears

of another round of oil price

\$41½, has agreed to buy Mostek

Volume leader Mobil climbed Volume leader moon chimeed while Golds climbed 58.3 to \$1\frac{1}{2}\$ to \$53 on reporting a potentially significant discovery of hydrocarbons off Cameroon.

Damson Oll, which holds a stake in the discovery, gained \$1\frac{1}{2}\$ to \$1,610.4, although the Oils and Gas index was only 1.8 higher at 3,387.2. In Montreal, Papers rose 2.21 to 182.16 but Banks declined 0.76 to 315.54. In the Metals group, Phelps Dodge rose \$1; to \$31; Asarco \$2 to \$30; Homestake Mining \$1; to \$42; and First Mississippi \$1 to \$19;.

Pan-American World Airways added \$1 at \$7. The Civil Aeronautics Board has turned

down Eastern's request to bid for National Airlines. Eastern slipped \$4 to \$73, but National were unchanged at \$471. Tiger International lost 11 to \$231 and Olin 11 to \$211 Both are expecting sharply lower third-quarter net profits. Kalser

Steel predicted a pre-tax loss from steelmaking operations and shed 1 to \$35%. THE AMERICAN SE Market Value Index managed a fresh improvement of 0.43 at 226.96 at

1 pm. Volume 3.53m shares (3.3.91m).

481s 60 635s 571s 3514 31 395s 341s 165s

Ford Motor 441
Foremost Mek. 354
Franklin Mint. 94
Franklin Mint. 471
Fruehauf 14

Canada

Most sectors continued to strengthen in heavy early dealings, with Mining issues remaining the centre of buying interest. The Toronto Composite Index gained 9.5 to 1,760.7 at noon, while Golds climbed 58.3 to declined 0.76 to 315.54.

Oils were mixed. Gulf Canada, a partner in the Hibernia well, rose { to C\$102}, while Shell, which has three new gas discoveries in Alberta, gained { to C\$102}.

2014 75 275e 2014 2114 275e 2118 214 365e 186e

Kay 1836 Kannecott 295, Kerr McGee 371, Kidde Walter 371, Kidde Walter 441, Koppers 475, Kraft 475, Kroger Co. 251, Kroger Co. 251, Levi Strauss 171, Levi Strauss 23, Libbay Ow. Ford 28

Lone Star Ind'stal
Long Island Lig.
Louisiana Land.
Lubrizol.
Lucky Stores.
MacMillian.
Macy R.H.
Marover.
Mapoo.
Marathan Olim.
Marin Midland.
Marshall Field.
Marin Milland's

| National Carminels | Sale | Sale | National Carminels | Sale |

2718

261s 261s 1614 261s 261s 261s 1614 1614 5434 4012 2624 4136

With the market attracting strong foreign demand, shares mainly moved shead in another large turnover with some sharp gains occurring. The Nikkei-Dow Jones Average advanced beyond the 6,500 mark in close 61.85 higher at an all-time peak of 6,539.71. The Tokyo SE index rose 3.90 to 460.33, while volume come to 520m shares (580m) came to 520m shares (560m).

Supported by active buying from foreign investors, Trading in London Houses and Heavy Electricals in New went up briskly, while Light futures Electricals, Precision Machinery Sydney issues and Motors were also another broadly hunted, together with terday.

RTE Togs.
Roes Togs.
Ryder System
Sefeway Stores
St. Joe Minarale
St. Reglu Paper
Santa Fe Inds
Saul, invest
Sauch Invest
Sauch Invest
Sauch Invest
Social Brewing
Schilumberger
Schilum

Souder Duo Cap
Sea Containers
Seagrain
Searle (G.D.)
Sears Roebuck
Security Pacific
SEDCO
Shell Oll
Shell Transport

Signal..... Signode Corp..... Simplicity Pat....

Southern Co....-Southern Nat Res Southern Pacific

Standard Brand, Standard Brand, Std. Oil Cellfornia Std. Oil Onlo Stuffer Ghem. Storing Grug... StorageTechnigy Studebaker Wor... Sun Co... Sundstrand

Talex...
Tanneco...
Tanneco...
Tescropetr leum
Teccaco...
Texas guif...
Texas last m.
Texas oni & Gaz...
Texas Unities...
Times Mirror...
Timicen...
Transo...
Transo...
Transo...
Transo...

UGI - UNIC Resources Uniterer NV - Uniterer NV - Union Carbide Union Commerce Union Pacific Union Pacific Information

Smith Inter..... Smith Kline....

some other promising Blue Chins. A broker noted that foreign investors, expecting Japan's economy to expand smoothly despite the recent credit tightening and the oil price increase, have been shifting their surplus funds into Japanese stocks. He said that they apparently believe the yen will strengthen by the end of this year. A large amount of surplus funds flowed into the market from such fluencial institutious as agriculture and forestry hanks, and wealthy individual investors, and boosted buying pressure,"

Insurance and Real Estate stocks were selected by investors who expect inflation in Japan to continue, but some segments of Oils and Mines eased slightly on profit-taking.

Among Trading Houses, Mitsu-hishi jumped Y42 more to Y715, Mitsui Y38 to Y424 and C. Itek Henda Motors ruse Y15 to Y620 and Tokyo Marine Y54 to Y600, while Hitschi, Y278, and Kubota, Y341, improved Y9 apiece.

Strong markets for base metals in London and an upturn in gold in New York and on the Sydney futures exchange helped the Sydney share market to put on another bright performance yes-terday. The Sydney All

CANADA

Indel Inland Nat. Gas...
Int. Pipe Line...
Kaiser Resource.
Lobiaw Com. 'B'
Bichill'n Bloed'i.
Marks & Spencer
Massay Ferguson
Michtyre......
Micro Corpin ....
Moore Corpin ....
Moore Corpin ....
Moranda Mines...
Moranda Mines...
Moranda Mines...
Mith. Telecom...
Numac Oli & Gase
Cakwook Petr'm
PacificCopper M

Pan Can Petrol' m
Patino
Pisce Gas & Oli...
Pisce Gas & Oli...
Pisce Corp'n...
Quebec Sturgeon
Ranger Oli.....
Reed Stenhouse
Rio Algom...
Royal Sk. of Can.
Royal Trustoo...

Minerals sub-group index strengthened 42.89 to 3.872.70. The Melbourne stock market was closed for a local holiday.

In the wake of the overnight representation of the rour exchanges was a substantial HK\$293.18m, but fell well short of Wednesday's very heavy HK\$407.69m when the Hang Seng index roge \$5.69.

recommended rival shares plus cash bid for BE South from CRA, the former advanced a further 20 cents to A\$3.20, with investors keen to see whether National Mutual Life will respond by increasing its A\$250 offer. CRA declined 6 cents to A\$3.86, currently valuing its bid at A\$3.34 per BH South share. Pioneer Concrete moved ahead

11 cents to A\$1.72, benefiting from reported record profits, a received capital raising plan, and its recent successful market raid on the shares of Kathleen Investments, thus securing a controlling interest in the Nabariek uranium mining project. There was continued buying of Kathleen, but the shares were steady at A86.00. Its per cent owned subsidiary and partner in the uranium venture. Queensland Mines,

A\$5.56. Copper Mining issues remained buoyant, with MIM adding 8 cents at A\$4.50, Mount Lyell 13 cents at A\$1.25 and Bougalaville 13 cents at A\$2.49.

North Broken Holdings were 13 cents higher at A\$2.45, while Central Nerseman Gold rose 14 cents to A\$7.50, Poseiden 6 cents to A\$1.28 and GMK 8 cents to

gained a further 16 cents to

Oils were in good form, with Woodside at a new high for the year of A\$1.38. Best groups elsewhere in the market were Banks and the NSW steaming coal miners who have won some good contracts with Hong Kong and Korea utilities.

Hong Kong

GERMANY +

Gutzhoffnung...
Happang Lloyd...
Happaner...
Hoschet...
Hoesch...
Hoesch...
Hoesch...
Karli und Salz ...
Kartsudt...
Kaufhof ...
Kaufhof ...
Kiepp DM 100...
Linte ...
Linte ...
Lo'brau DM.100...
Lufthansa...
M.A.H......

M.A.N.
Mannesmann.
Mertaliges
Munchener Rolk
Neckermann
Preussig DM:100
Rhein WestElect
Sohering.
Sierners
Sud Zucker
Thyseen A.G.
Verba.
VEBA
Versines Wittlik
Volkswagen

17 45 821, 25% 27% 87% 15% 44% 45% 25%

2.79 2.79 27% 14 3.55 56 819 30% 42% 154

84, 411, 303, 1236 291, 4.00 18 78 2456 233, 104, 123 123 495, 15 275,

and Karstadt DM 1.50. In Electricals, AEG touched an all-lime low of DM 42.00 before ending a net DM 1.30 off at DM 42.80.

Which left stocks easier for choice on the day. The Hang Seng index, which had risen sharply by 52 points over the past three day's to an 11 months'

stated.

4. DKr 100 denors, unless otherwise stated.

5 SwFr 800 denors, and Bearer shares unless otherwise stated.

1 Y50 denors, unless otherwise stated.

2 Price at time of suspension. a Florins, 5 Schillings.

Sept. 27 | Price | + or | Div. | Y1

352.5 2.0 26.66 5.3
155.5 2.0 17.10 1.5
155.5 2.0 17.10 1.5
271.9 -1.6 28.12 5.2
206.3 -1.8 28.12 6.8
154 2.0 1.8 28.12 6.8
154 2.0 1.8 18.76 4.5
91.2 +0.7 9.5910.5
168 26.6 4.7
130 0.5 18.77 7.2
135 0.5 18.77 7.2
135 0.2 - - 135 0.2 - - 135 0.2 15.56 6.3
25 5.9 7.7 8.4
147.5 2.0 15.56 6.3
26.0 25 28.44 6.3
26.0 0.1 - - 212 2.0 15.56 6.3
28.12 2.0 11.58 8.8
29.6 0.5 28 4.2
1,410 25 1.8
29.6 0.5 28 4.2
1,410 25 1.8
29.6 0.5 28 4.2
1,410 25 1.8
29.6 0.5 28 4.2
1,410 25 1.8
29.6 0.5 28 4.2
1,410 25 1.8
29.6 0.5 28 4.2
1,410 25 6.7
29.5 -0.7 21.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2.8
28.7 2

Ordinaries index climbed 3.90 high, closed 4.59 down yester-more to a fresh record high of day at 663.70. Total trading 883.83, while the Metals and volume on the four exchanges

Interest again centred on Rutchison Whampon, which after a strong morning rise, firmed sharply in the afternoon following the company's asset valuation estimate of HR\$14.40 a share, and the stock reached around HK\$\$.20 before falling back to close at HK\$7.70 for a gain on the day of 85 cents

Cheung Kong was also aided by the Hutchison asset valuation, adding 30 cents at HK\$17.60, with speculation continuing over its future intentions following its Shanghai Bank and rumoured additional stock market pur-

Elsewhere prices reacted late as profit-taking set in around Hutchison. Hongkong Rank losi 40 cents to HK\$14.90 and Hongkong Land, ahead of interim results, shed 30 cents to HK\$10.50. Swire Pacific relinquished 10 cents at HK\$9.45 and Wheelock 2.5 cents at HK\$3.65.

Germany

Share prices were mixed to lower in what observers called trendless, nervous trading. The Commerzbank index slipped back 1.8 to 761.7. Market sources said trading was influenced by turbulence on

the foreign exchange, with

investors feeling uncertain about the effects of the sharp rise of the effects of the snarp rise of the mark against the dollar. Banks, Stores, Machine Manu-facturers and Motors were broadly lower. Daimler Benz shed DM 250, BMW DM 200, Dentsche Baboock DM 200, GHH DM 1.50, Deutsche Bank DM 1.60

e Cents. d' Dividend after pending rights and/or scrip issue. e Per share. f France. g Gross div. %. It Assumed dividend after sorig and/or rights issue. & After local taxes. m % tex free. n France including Uniter div. p Nom. q Share spilt. e Div. and yield exclude special payment. c indicated div. u Unofficial trading. v Minority bolders only. y Manger pending. \* Assumed. t Bill. § Traded. \$ Salter. z Assumed. are in rights. at Ex dividend. are Ex acrip issue. as Ex att. A interim since increased.

389 | -2 3641 | +9 3640 | +8 350d | +8 202s | +2 179d | +4 444m | +86 470 | -10 615d | +15 595d | +16 1,390 | -10 615d | +15 525d | +16 8,250 | +10 3,250 | +10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,390 | -10 1,300 | -10 1,300 | -10 1,300 | -10 1,300 | -10 1,300 | -10 1,300 | -10 1,300 | -10 1,300 | -10 1,300 | -10 1,300 | -10 1,300 | -10 1,300 | -10 1,300 | -10 1,300 | -10 1,300 | -10 1,300 | -10 1,300 | -10 1,300 | -10 1,300 | -10 1,300 | -10 1,300 | -10 1,300 | -10 1,300 | -10 1,300 | -10 1,300 | -10 1,300 | -10 1,300 | -10 1,300 | -10 1,300 | -10 1,300 | -10 1,300 | -10 1,300 | -10 1,300 | -10 1,300 | -10

SWITZERLAND \*

PARIS

TOKYO ¶

Asahi Gisss...

Sept. 27

Bundesbank sold DM 16.4m nominal of paper.

Indices

NEW YORK-DOW JONES

					Sept.		19	79	SinceCo	mplit's
-	Sept.	Sept. 25	Sept. 24	21	30	19	High	Low	High	Low
industr'is	B46,85	688.15	815.54	893,64	893.62	878,45	898.94 (21/9)	207.00 (27.2)	1061.70	41.22
H'mo B'nds	85,05	E\$.12	E3.24	85,47	65.40	86.a7		82.92 (8/6)	(11/76)	(2/7/52)
Transport.							271,77 (15/8)	205.79 (27/2)	229.80 (7/2/68)	12.25 (9/7/22)
(tilties	1	105.68	185.75	106,28	107,00	105,51	103.61 (23/8)	98:51 (15/5)	185.82 (20/4/69)	10.68 (28/4/42)
rading Vol	- 9RI	] 132.510	1 155.960	52,630	45,219	35,440		l	_	_

Day-s nigh 898.55 loss a	303.96			
	Sept. 21	Sept. 14	Sept. 7	Year ago (appro
tod. div. yield 2	5,56	5.65	5.67	5.50
STANDARD AND POORS		•		

Sept. Sept.		Pant	Sept. Sept. Sept. S		Sept.		979	Since Cmpil't'n			
	Sept. 25	25 25	24	21	20 20		High	Low	High	Low	
tindust'is							(20/8)	(27/2)	154.84 (11/1/75)	\$218105)	
<b>‡Composite</b>	109,98	109,68	109.61	1 110,47	110,51	100,29	(20/5)	(27/2)	(11/1/78)	1.40 (1 6/52	
		_	Ser	t. 19	Sept	12	Sept.	5   Ye	sar ago	(approx	
Ind. div. yiel	d%		5.	.05	5.0	5	6,12		4.8	5	
Ind. P/E Ratio Lond Gov. Bond Yield			8	.04	7.74	•	7,87		9,43		
			9,15		9.11		9,11		8,47		
							Rise	and F	alls		

Sept.26 Sept. 25:Sept.24 Sept Sept Sept Sept High Low 62.5762.4062.5762.88 62.88 63.88 (21/3) (37/3)

CONTREAL	Ca=+	Sent	Cane	Comb	1979			
	Sept. Sept. 26 25		24 24	21	High	Low		
Industrial Combined	517,68 505,94	574,54 301,68	874.63 891.65	317, 19 883,45	817,66 (26/8) 808,84 (26/9)	279, 19 (2/1) 225,88 (2/1)		
ORONTO Composite	1751,2	1756,8	1765.6	1740_8	1751.2 (29/8)	1516,8 (2/1)		
OHANNESBURG Gold Industrial	594.5 389.1	570.0 345.1			870.2' (25:9) 863.1 (26:8)	225,4 (17,4) 270,5 (2/1)		

 
 Spain
 (d)
 90.28
 90.52
 111,96
 90.29

 Bwraden
 (d)
 844.77
 658.67
 401,34
 531.37

 Bwritzerid(f)
 858.8
 268.8
 (36.9)
 (37.9)

 329.1
 334.0
 (3/6)
 (3/1)
 Denmark (\*\* 82.68 22.88 77.45 38.22 (517) (311) (71.5 108.5 71.5 108.5 71.5 108.5 71.5 (15.2)

WEDNESDAY'S ACTIVE STOCKS Singapore(\*) 418.41 418.26 418.41 346.34 (27/9: (23/2) indices and oses esters (all base values 100 except NYSE All Common — 50; Standards and Poors—10; and Toronto 300—1,000; the last nemed based on 1975), † Excluding bonds, ‡ 400 industrials, \$400 industrials, \$40 transport, \$ Sydney All Ordinary, † Beigun SE 3/12/53. \*\*Coopenhagen SE 1/1/75. †† Paris Bourse 1981, ‡‡ Commerchank

-			AUSTRALIA			STOCKHOLM	•	•
*	Div.	Yld.	Sept. 27	Aust #	- or	Sept. 07	Price + or Kronor —	Div. :Yid
	14	1.8	67 - 7 - 7 - 7		1	AGA AB IKY, 80).	142 +6-	<i>H</i> 5 3.
	19	1.0	AOMIL (25 cents)		+0.01	Alfa Leval (iCr.80	118 +1	6 5.
	25	1.6	ACTOW Australia.		* *** *****	ASEA(Kr.50)		5 7
-	20	5.0	Alistate Explorations	10.48		Atlas Cop. Kr.25	. 72 .+1.5	5.8 8.1
	18	1.6	AMATIL 81	18.50		Billerud		
	15	2,5	Ampol Exploration	12.00		Bofore	112	
_	13 18	18.8	Ampol Petroleum			Cardo		6.5 3.6
3	18	1.4	Assoc. Minerals	12.15	+0.00	Collulosts		#5.5 4.0
9	35	3.0	Assoc Pulp Paper 8,	19.50	+0.05	Ejec,jmx,g,iK49		6,25 5.5 5,5 4.1
5	12	1.5	Audimoo 25 cents	+0.55	+0.02	Ericseon B (Kr50		
9	80	1.1	Aust. Consoldated Inds	12.08		Esseite (Free)	148 +8	5.5   3.1
9	15	1.8	Aust. National Industries	11.95	+0.04	Fagersta	100 +4	4.6
χ.	10	0.5	Aust. Oli & Gas			Granges (Free)	51.5+2.5 291 :+6	18.3 6.4
•	18	2.4	Bamboo Creak Gold		+0.02	Handelsbanken		9 6.
			Blue Metal Ind		+8.02	Mo Och Domaio		2.60 3.
3	16	2.2	Bond Corp. Holdings		+0.07	Sandvik'B' Kr109		6.50 £.6
9	35	0.5	Bougainville Copper		+0.12	8.K.F. 'B' Kr.50.		4,6 7.5
	10	1.4	Brambles Industries		+8.04	Skand Enskilds.		9 7.
	12	8.0	Broken Hill Proprietary.			Tandstike (Krod	76.5 + 3.5	5 6.
	13	3.8	BH South		+0.20	Oddeholm	65 +1	_   _
2	13	1.0	Cariton United Brawery		1+0.01	Volvo (Kr.50)		7   9.6
Š	14	2.0	CSR (81),		1000	,	-11	
ă	20	2.1	Cockburn Cement		-8.05			
5	1 18	0.5	Color (G. I.)	+9.05	-8.87	000		

6	OSLO	•			
0	Sept. 27	Price Kroner	+01	Div.	Yid
	Bergen Bank Borregaard Greditbank		+1 +0.26	8 	5. B.
8	Kosmos Kreditkassen Norsk HydroKre	590 117.76		10 11 12	1. 9. 1.
1	Storebrand	119	+0.5	10	G.:

.06 .07	Norsk HydroKr6 592 Storebrand 119	+0.25 +0.5
, ()	JOHANNESBURG Mines	
	September 27	Rand
01	Angio American Cpn. Charter Consolidated . East Driefontein Elsburg	10.00 13.85 19.75 3.15 12.00

	September 27	Rand
	Anglo American Con.	
per entre	Charter Consolidated .	13.95
-0.01	East Driefontein	19.75
	Elsburg	3.15
HO.08	Harmony	12.00
10.0	Kinross	
	Kloof	8.80
+0.04	Duntanh was Mari	22.00
+0.14	Rustenburg Platinum .	
16.86	St. Helens	
ale te s'	Southvaal	16.10
	Gold Fields SA	45.50
+0.11	Union Corporation	9.70
	De Beers Defered	9.25 xd
-0.10	Blyvooruitzicht	10 (2)
40.05	East Rand Ptv	13.00
	Free State Geduld	41 00
+0.01	President Brand	39 35
+0.04	President Stayn	27 50
-0.05	Spliantein	10.00
+0.05	Welkom,	0.00
	West Driefontein	54.00
-0.02	Western Holdings'	40.00

- 1			TOIT
-	Anglo American Con.	10.00	+0.12
1	Charter Consolidated .	13.85	TWIE
1		19.00	+0.17
Ц		19.75	+1.15
1	Elsburg	3.15	+ D.1
4	Harmony	12.00	+04
	Kinross		
		8.80	+04
П	Kloof	22.00	+2.4"
. 1	Rustenburg Platinum .	3.80	+0.24
П	St. Helens	27.25	+0
1	Southvasi		
١	Cold City Of	16.10	+1.00
1	Gold Fields SA	45.50	+1.20
1	Union Corporation	9.70	+ 1
4	De Beers Defered	9.25 xd	
d	Blyvooruitzicht	3.17 XB	
1	East Band St.	10.00	+0.75
1	East Rand Pty.	13.00	+0 40
d	Free State Geduld	41 00	+2.25
Ш	President Brand	29.35	+1.85
ч	President Stayn	27.50	T 1.63
П	Sulfontein		+250
1	Stillontein	10.60	+0.30
١,	Welkom	9.10	+0.40
П	vvest Drietontein	64.00	+4.23
П	Western Holdings'	49.35	+4.25
	Western Deen	26 26	T4.25
	Western Deep	26.25	+1.80
	Western Deep	26.25	+1.80
	Western Deep	26.25 ALS .	+1.80
	Western Deep	26.25 ALS 5.20	+1.80
	AEC!	26.25 ALS 5.20 2.85	+1.80
	AECI Abercom Angle-Amer, Industrial	26.25 ALS 5.20 2.85 19.00	+1.80
	AEC! Abercom Anglo-Amer. Industrial Barlow Rend	26.25 ALS 5.20 2.85 19.00	+1.80
	AEC! Abercom Anglo-Amer. Industrial Berlow Rend CNA Investments	26.25 ALS 5.20 2.85 19.00 7.05	+0.09 +0.05
	AEC! Abercom Anglo-Amer. Industrial Berlow Rend CNA Investments	26.25 ALS 5.20 2.85 19.00 7.05 13.05	+0.09 +0.05 +0.05
	Western Deep  MDUSTRI AECI Abercom Angio-Amer. Industrial Berlow Rend CNA Investmenta Currie Finance	26.25 ALS 5.20 2.85 19.00 7.05 13.05	+0.09 +0.05 +0.05 +0.12 +0.08
	Western Deep  **NDUSTRIC AEC!  Abercom  Anglo-Amer. Industrial Barlow Rend  CNA Investments  Curie Finance  De Beer Industrial  De Beer Industrial	26.25 ALS 5.20 2.85 19.00 7.05 13.05 1.15	+0.09 +0.05 +0.05 +0.17 +0.08 -0.20
	AECI ABERTOM ANGIO-Amer. Industrial Bertow Rend CNA Investments Curie Finance De Beers Industrial Eriques Conad. Inv.	26.25 ALS 5.20 2.85 19.00 7.05 13.05 13.05 17.00 4.10	+1.80 +0.09 +0.05 +0.17 +0.09 -0.20 +0.05
	Western Deep  NDUSTRI AECI Abercom Angio-Amer. Industrial Briow Rend CNA Investments Currie Finance De Beers Industrial Eriques Consd. Inv. Eriques Stores	26.25 ALS 5.20 2.85 19.00 7.05 13.05 1.15	+1.80 +0.09 +0.05 +0.17 +0.09 -0.20 +0.05
	Western Deep  MDUSTRI AEC! Abercom Angio-Amer. Industrial Briow Rend CNA Investments Currie Finance De Beers Industrial Eriques Consd. Inv. Eduars Stores Fed. Volksbelloguings	26.25 ALS 5.20 2.85 18.00 7.05 13.05 1.15 #17.00 49.00	+0.09 +0.05 +0.05 +0.17 +0.08 -0.20
	Western Deep  MDUSTRI AEC! Abercom Angio-Amer. Industrial Briow Rend CNA Investments Currie Finance De Beers Industrial Eriques Consd. Inv. Eduars Stores Fed. Volksbellogdings	26.25 ALS 5.20 2.85 19.00 13.05 1.15 47.00 49.00 2.45	+0.09 +0.05 +0.17 +0.09 +0.09 +0.09 +0.29 +0.29
	Western Deep  MDUSTRI AECI Abercom Anglo-Amer. Industrial Briow Rend CNA Investments Currie Finance Currie Finance Engers Consid. Inv. Engers Consid. Inv. Cristoleogings Grestermans Stores Grestermans Stores	26.25 ALS 5.20 2.85 19.005 13.05 17.00 49.00 2.430	+1.80 +0.09 +0.05 +0.09 +0.09 +0.09 +0.09 +0.20 +0.20 +0.10
	Western Deep  MDUSTRI  AECI Abercom Angio-Amer. Industrial Briow Rend CNA Investments Currie Finance De Beens Industrial Eriques Consd. Inv. Eriques Consd. Inv. Eriques Stores Fed. Volksbelengings Grestermans Stores Huletis	26.25 ALS 5.20 1800 7.05 1.15 17.00 49.00 2.45 4.30	+1.80 +0.05 +0.05 +0.05 +0.08 +0.08 +0.08 +0.05
	Mestern Deep  MDUSTRI  AECI Abercom Anglo-Amer. Industrial Berlow Rend CNA Investments Curie Finance De Beers Industrial Eriques Consd. Inv. Ednars Stores Fed. Volksbelengings Grestermans Stores Huletts CTA	26.25 ALS 20 18 00 18 00	+1.80 +0.09 +0.05 +0.09 +0.09 +0.09 +0.09 +0.00 +0.00
	Western Deep  Western Deep  AEC! Abercom Anglo-Amer. Industrial Briow Rend CNA Investments Currie Finance De Beens Industrial Enques Consd. Inv. Enques Consd. Inv. Engues Consd. Inv. E	26.25 ALS 5.20 1800 7.05 1.15 17.00 49.00 2.45 4.30	+1.80 +0.09 +0.05 +0.09 +0.09 +0.09 +0.09 +0.00 +0.00
	Western Deep  MDUSTRI  AEC! Abercom Anglo-Amer. Industrial Berlow Rend CNA Investments Curie Finance De Beers Industrial Eriques Consd. Inv. Eduars Stores Fed. Volksbelegdings Grestermans Stores Huletts LTA McCarthy Rodway NedBank	26.25 ALS 5.205 19.005 1.155 17.005 1.150 49.00 2.430 4.30 2.82 vd	+1.80 +0.05 +0.05 +0.05 +0.08 +0.08 +0.08 +0.05
	Western Deep  MDUSTRI  AEC! Abercom Anglo-Amer. Industrial Berlow Rend CNA Investments Curie Finance De Beers Industrial Eriques Consd. Inv. Eduars Stores Fed. Volksbelegdings Grestermans Stores Huletts LTA McCarthy Rodway NedBank	26.25 ALS 5.205 19.005 13.05 13.05 17.00 4.10 49.00 2.45 4.30 2.85 0.832 vd	+1.80 +0.05 +0.05 +0.05 +0.05 +0.05 +0.05 +0.05 +0.05 +0.05 +0.05 +0.05
	Western Deep  MDUSTRI  AECI Abercom Angio-Amer. Industrial Berlow Rend CNA Investments Currie Finance De Beens Industrial Eriques Consol. Inv. Ednars Stores Fed. Volksbeleugings Grestermans Stores Huletts LTA McCarthy Rodway RedBank DK Bazaers	26.25 ALS 5.205 18.00 7.305 1.15 4.10 49.05 4.30 4.30 4.30 10.09	+1.80 +0.09 +0.05 +0.09 +0.09 +0.09 +0.09 +0.00 +0.00
	Western Deep  Western Deep  AEC! Abercom Anglo-Amer. Industrial Briow Rend CNA Investments Currie Finance De Beers Industrial Eriques Consd. Inv. Eriques Consd. Rodway NodBank OK Bazaets Premier Milling	26.25 ALS 5.20 2.85 19.00 13.05 17.00 4.10 49.00 4.30 4.30 4.30 4.30 4.30 6.55	+1.60 +0.05 +0.05 +0.05 +0.02 +0.02 +0.02 +0.02 +0.02 +0.02 +0.03 +0.03 +0.03 +0.03 +0.03 +0.05
	Western Deep  MDUSTRI  AECI Abercom Anglo-Amer. Industrial Berlow Rend CNA Investments Curie Finance De Beers Industrial Eriques Consd. Inv. Erinst Stores Erinst Stores Grestermans Stores Huletts CTA McCarthy Rodway NedBank OK Bazaers Promier Milling Pretoria Cement	26.25 ALS 5.20 5.265 7.055 1.055 17.00 49.005 2.430 4.300 4.300 6.430 16.450 16.450	+1.80 +0.05
	Western Deep  Western Deep  AEC! Abercom Anglo-Amer. Industrial Briow Rend CNA Investments Currie Finance Enders Consd. Inv. Enders Consd. Inv. Enders Consd. Inv. Ednars Stores Fed. Volksbelengings Grestermans Stores Huletts LTA McCarthy Rodway NedBaak OK Bazaets Promior Milling Pretoria Cement Frotas Heldings	26.25 ALS 5.20 5.265 7.055 1.055 17.00 49.005 2.430 4.300 4.300 6.430 16.450 16.450	+1.80 +0.05
	Western Deep  Western Deep  AEC! Abercom Anglo-Amer. Industrial Briow Rend CNA Investments Currie Finance Enders Consd. Inv. Enders Consd. Inv. Enders Consd. Inv. Ednars Stores Fed. Volksbelengings Grestermans Stores Huletts LTA McCarthy Rodway NedBaak OK Bazaets Promior Milling Pretoria Cement Frotas Heldings	26 25 2.25 2.25 2.25 2.25 2.25 2.25 2.25	+1.80 +0.05
	Western Deep  MDUSTRI  AEC! Abercom Anglo-Amer. Industrial Berlow Rend CNA Investments Curie Finance De Beers Industrial Eriques Consd. Inv. Eduars Stores Fed. Volksbeleogings Grestermens Stores Huletts LTA McCarthy Rodway NedBank OK Bazaets Promior Million Pretoria Cement	26.25 ALS 5.20 5.265 7.055 1.055 1.055 17.00 49.005 2.430 4.305 4.301 6.430 16.455 40.01 6.450	+1.80 +0.05

2						AECI	5.20	1000
2		Price	+ or	Div.	Yid.	Abercom		+0.00
5	Sept. 27	Fra.		Fra.	2	Angio-Amer. Industrial	2.85	+0.05
7	3007E =-					Parlamer, industrial	19 00	
Н	Renta 4	1 270	441.5	412	0.5	Barlow Rend	7 05	
1	PERSON TELESCOPE	263		24.75	6.9	CNA Investmente	†3.05	+0 17
2	Afrique Occ dt		<b>—12</b>			Currie Finance	7.15	十0.0年
٠,	Alt Liquide			16,5	0.0	De Beers Industrial	£17.00	-0.20
- 1	8IC.,	547	<b>_</b> &	15,5		Engers Consd. Inv	4.10	+0.05
- (	Bouygues	555		31.5		Edinars Stores	49.00	40.77
- 1	B.S.N. Gervale Carrefour	950	-1	45	4.8	Fed. Valksbeleagings .	2.45	A4 7.
	Ourrefour	1.725	-17	78	4.5	Grestermans Stores		10.00
	C.G.E.	375.9	-4.1	31 5	84	Greatermans Stores	4.30	∸0.10
•	G.I.T. Alcetel	1 395	<b>_2D</b>			Huletts	4.30	-0.05
-1	C.I. 1. AICHUST.	472		. 94	6.0			<u> </u>
- }	Cle. Bancaire			15	3.9	McCatthy Rodway	በደጉሙ	4 -0.01
	Club Meditere		8	9	2.0	NedBank	4.30	
ונ	Cr'dit C'm. Frce		-0.3	12.75	7.5	DK Rasser	10,00	
	Creusot Loire	84.5	-2.1	-		DK Bazaers Promior Milling	0.00	40 15
Ŧ I	Dumez			55 Th	4.1	Protest Military	6.55	_
: 1	Elf-Aquitaine		_ Tet	26.25	Q Z	Pretoria Cement	5,40	—n n5
: 1	Co Detroies	277	+2"	15	E.4	Protan Holdings	2 17	-0,63
9	Fr. Petroles	70.				13nc Mines Properties	3.90.	40.03
5	Gen. Occid'nt'le	_	<b>–5</b>		3.7	Rombrandt Group	4 85	-0.05
F	(metal	70.8	1+0.9	6.7	8.1	Retco		0.03
5 1	Jacques Borei	128.6	-5.5	1		Sage Holdings	1.45	
5 ]	Lossos	970	4	20.10	20	Eappy Holizings	1 85 x	
: 1	L'Oresi	764	<b>—</b>	20.10	7.2	SAPPI	4 55	+0 10
2	L Office and the second	704		22.5	0.0	C G. Smith Sugar	#3 KN	-0.05
3	Legrand	1,810	<u>—</u> ō	44.26		L PA Droweries	1.87	÷ 0,02
ы	Mais na Phoenix	609	+5	i 39 <u>.</u> 9	6.5	Tiger Oats and N. Mig	. 12.50	
5 (	Michelin "8"	976	i+26	41.05	4.2	Unisec	1.70	
i	MoetHennessey	587	-10	15.75	97			
: 1		77.		-		Financial Rand	TT C en	100
	Maulines							
!	Moulinex	91.6	-10 -1.5	. 3	3.5			
	Paribas	285.4	+1.4	10.15	4.3			
		285.4	-1.5 +1.4 -2.5	10.15	4.3	(Discount of		
	Paribas Pechiney	285.4 106.4	+1.4	10. js 7.5	4.5 7.1			
	Paribas Pechiney Pernod Ricard	285.4 106.4 284	+1.4 -2.5	10. ja 7.5	4.5 7.1 5.2			
	Period Ricard PeugeotCitroen	285.4 106.4 284 328	+1.4 -2.5	10. js 7.5	4.5 7.1 5.2			
	Paribas	265.4 106.4 284 326 292	+1.4 -2.5 -2 -12	10. ja 7.5 9 20.25	4.5 7.1 5.2 6.8			
	Paribas	285.4 106.4 284 328 292 340	+1.4 -2.5 -2 -12 -2	10. ja 7.5	4.5 7.1 5.2 6.8	(Discount of		
	Paribas	285.4 106.4 284 328 292 340 474	+1.4 -2.5 -12 -12 -2	10. js 7.5 9 20.25	4.5 7.1 5.2 6.3 8.8	(Discount of		
	Paribas	285.4 106.4 284 328 292 340 474	+1.4 -2.5 -12 -12 -2	10. js 7.5 9 20.25	4.5 7.1 5.2 6.3 8.8	(Discount of	f 26%)	
	Paribes Pectificy Pernod Ricard PaugeotCitroen Poctain RadfoT chnique Redoute Rhone Poulenc	255.4 106.4 284 326 292 340 474 145.5	+1.4 -2.5 -2 -12 -4 -2 -1 +1.0	7.5 9 20.25 30 30	4.5 7.1 5.2 6.8 6.3 7.1	(Discount of	f 26%)	
	Paribas	255.4 106.4 284 326 292 340 474 145.5	+1.4 -2.5 -12 -12 -2 -1.0 +1.0	10. j5 7. 5 9 20. 25 30 30 10. 6	4.5 7.1 5.2 6.8 8.8 7.2 9.9	(Discount of	f 26%)	· ·
7	Paribas Pectaliney Pernod Ricard PeugeotCitroen Pocisin RadioT chnique Redotte Rhone Poulenc St. Gobain Ster Rossignol	285.4 106.4 284 326 292 340 474 145.5 146.8	+1.4 -8.5 -12 -1 -2 -1 -1.0 +1.0	10. [5 7.5 9 20.25 30 10.5 14.55	4.5 7.1 5.2 6.8 8.5 7.2 9.6	(Discount of	26°a)	+ 1
	Paribas Pechinay Pernod Ricard. PeugeotCitroen Pociein RadioT chnique Redotte Rhone Poulenc. St. Gobain. Skis Rossignoi Suez.	285.4 106.4 284 326 292 340 474 145.5 146.9	+1.4 -2.5 -12 -12 -2 -1.0 +1.0	10.15 7.5 9 20.25 	4.5 7.1 5.8 8.5 7.9 9.6 9.6 9.6	(Discount of	f 26%)	· ·
	Paribas Pechinay Pernod Ricard. PeugeotCitroen Pociein RadioT chnique Redotte Rhone Poulenc. St. Gobain. Skis Rossignoi Suez.	285.4 106.4 284 326 292 340 474 145.5 146.9	+1.4 -2.5 -12 -2 -1.0 +1.0 -10	10.15 7.5 9 20.25 	4.5 7.1 5.8 8.5 7.9 9.6 9.6 9.6	SPAIN V September 27 P Asland Bilbao	26%) Fr cent 103 244	+ 1
	Paribas Pechiney Pernod Ricard PeugeotCitroen Pocisin RadioT chnique Redoute Rhone Poulenc St. Gobain Skis Rossignoi Suez Telemecanique	285.4 106.4 284 326 292 340 474 145.5 146.8 2,460 286 822	+1.4 -2.5 -12 -12 -1 -1.0 +1.0 -10 -11	10.15 7.5 9 20.25 50 50 10.5 14.65 39 27	7.1 5.2 6.8 6.5 7.0 9.6 8.5 7.0 9.6 8.5 9.6 9.6 9.6 9.6 9.6 9.6 9.6	SPAIN ♥ September 27 P Asland	er cent 103 244 272	+ 1 
	Paribas Pechlney Pernod Ricard. PeugeotCitroen Pocisin RadioT chnique Redotte Rhone Poulenc St. Gobain Suez Telemecanique ThomsonBrandt	285.4 284 326 292 340 474 145.5 146.9 2,460 222 265.3	+1.4 -2.5 -12 -1 -1.0 +1.0 +1.0 -1.0 -1.0	10.15 7.5 9 20.25 30 30 10.5 14.65 39 27 30.75 16.2	7.1 5.2 6.8 6.5 7.9 9.6 9.6 9.8 6.1	SPAIN ♥ September 27 P Asland	er cent 103 244 272 251	+ <u>1</u>
	Paribas Pechiney Pernod Ricard PeugeotCitroen Pocisin RadioT chnique Redoute Rhone Poulenc St. Gobain Skis Rossignoi Suez Telemecanique	285.4 284 326 292 340 474 145.5 146.9 2,460 222 265.3	+1.4 -2.5 -12 -12 -1 -1.0 +1.0 -10 -11	10.15 7.5 9 20.25 30 30 10.5 14.65 39 27 30.75 16.2	7.1 5.2 6.8 6.5 7.0 9.6 8.5 7.0 9.6 8.5 9.6 9.6 9.6 9.6 9.6 9.6 9.6	SPAIN ♥ September 27 P Asland Banco Bilbao Banco Central Banco Extenor B. Granada (1.000)	er cent 103 244 272 251 134	+ 1 
	Paribas Pechinay Pernod Ricard. PeugeotCitroen Poclain RadioT chnique Radoute Rhone Poulenc. St. Gobain Sica Ressignof Suez Telemecanique ThomsonFrandt Ueinor	285.4 284 326 292 340 474 145.5 146.9 2,460 222 265.3	+1.4 -2.5 -12 -1 -1.0 +1.0 +1.0 -1.0 -1.0	10.15 7.5 9 20.25 30 30 10.5 14.65 39 27 30.75 16.2	7.1 5.2 6.8 6.5 7.9 9.6 9.6 9.8 6.1	SPAIN ♥ September 27 P Asland	er cent 103 244 272 251	+ 1 
	Paribas Pechlnay Pernod Ricard. PaugeotCitroen Pocisin RadioT chnique Redotte Rhone Poulenc St. Gobain Suez Telemecanique ThomsonBrandt	285.4 284 326 292 340 474 145.5 146.9 2,460 222 265.3	+1.4 -2.5 -12 -1 -1.0 +1.0 +1.0 -1.0 -1.0	10.15 7.5 9 20.25 30 30 10.5 14.65 39 27 30.75 16.2	7.1 5.2 6.8 6.5 7.9 9.6 9.6 9.8 6.1	SPAIN ♥ September 27 P Asland	er cent 103 244 272 251 134	+ 1 
	Paribas Pechinay Pernod Ricard. PeugeotCitroen Poclain RadioT chnique Radiotte Rhone Poulenc. St. Gobain Sica Ressignof Suez Telemecanique ThomsonFrandt Ueinor	255.4 106.4 284 326 292 340 474 145.5 146.6 2,460 286 922 265.7	+1.4 -2.5 -12 -12 -1.0 -1.0 -1.0 -1.0 -1.0	10. ja 7.5 9 20.25 50 30 10.5 14.5 27 30.75 16.2	4.5 7.1 5.2 6.8 6.3 7.9 9.6 9.8 6.1	SPAIN ♥ September 27 P Asland Banco Bibbo Banco Central Banco Exterior B. Granada (1,000) Banco Hispano Bco. I. Cat. (1,000)	Er Cent 103 244 272 251 134 249	+ 1 
	Paribas Pechinay Pechinay Pernod Ricard. PeugeotCitroen Pociein RadioT chnique Redoute Rhone Poulenc. St. Gobain Sitis Rossignol Suez Telemecanique ThomsonBrandt Usinor	255.4 106.4 284 326 292 340 474 145.5 146.8 1,460 286 922 265.1	+1.4 -2.5 -12 -12 -1.0 -1.0 -1.0 -1.0 -1.0	10. js 7.5 9 20.25 50 30 10.5 14.5 39 27 30.75 16.2	7.1 5.2 6.8 6.3 7.9 9.6 9.6 6.1	SPAIN V September 27 P Asland Bibbo Bibbo Banco Exterior B. Granda (1,000) Banco Hispane Bco. J. Cat. (1,000) Banco. Madrid	Er cent 103 244 275 134 249 149 192	+ 1 
	Paribas Pechinay Pernod Ricard. PeugeotCitroen Poclain RadioT chnique Radiotte Rhone Poulenc. St. Gobain Sica Ressignof Suez Telemecanique ThomsonFrandt Ueinor	255.4 106.4 284 326 292 340 474 145.5 146.6 2,460 286 922 265.7	+1.4 -2.5 -12 -12 -1.0 -1.0 -1.0 -1.0 -1.0	10. ja 7.5 9 20.25 50 30 10.5 14.5 27 30.75 16.2	7.1 5.2 6.8 6.3 7.9 9.6 9.6 6.1	SPAIN ♥ September 27 P Asland	7 26%) 87 Cent 103 244 272 251 134 240 149 1492 247	+ 1 - 2 - 1 - 1
	Paribas Pechlney Pernod Ricard. PeugeotCitroen Poclain RadioT chnique RadioT chnique Radiotte Rhone Poulenc. St. Gobain Sica Ressignof Suez Telemecanique ThomsonBrandt Ueinor.  SRAZIL Sept. 26	255.4 106.4 284 326 292 340 474 145.5 146.8 1,460 286 922 265.1	+1.4 -2.5 -12 -12 -1.0 -1.0 -1.0 -1.0 -1.0 -1.0 -1.0 -1.0 -1.0	10. js 7.5 9 20.25 50 30 10.5 14.5 39 27 30.75 16.2	4.5 7.1 5.2 6.8 6.3 7.9 9.6 9.8 6.1	SPAIN V September 27 P Asland Banco Bilbao Banco Extenor B. Granada (1.000) Banco Hispano Bco. I. Cat. (1.000) Banco Madrid B. Santander (250) Bco. Urquijo (1.000)	7 26°a)  Pr Cent 103 244 275 134 240 249 192 247 247	+ 1 
	Paribas Pechlney Pernod Ricard. PeugeotCitroen Poclain RadioT chnique RadioT chnique Radiotte Rhone Poulenc. St. Gobain Sica Ressignof Suez Telemecanique ThomsonBrandt Ueinor.  SRAZIL Sept. 26	285.4 106.4 284 328 292 340 474 145.5 146.8 2,460 286 822 265.1 16.0	+1.4 -2.5 -12 -12 +1.0 -10 -11 -10 -0.2	10.   5 7.5 9 20.25 50 30 10.6 14.65 27 30.75 16.2 Div.	7.1 5.2 6.8 6.3 7.2 9.6 9.6 6.1 7.0 9.6 9.6 6.1	SPAIN ♥ September 27 P Asland Banco Bribao Banco Central Banco Extenor B. Granada (1.000) Banco Mispano Bco. I. Cat. (1.000) Banco Madrid B. Santander (250) Bco. Urquijo (1.000) Banco Vizcava Banco Vizcava Banco Vizcava	7 26%) 87 Cent 103 244 247 251 134 240 149 247 205 257	+ 1 - 2 - 1
	Paribas Pechlney Pechlney Pernod Ricard PeugeotCitroen Poclein RadioT chnique RadioT chnique Radiotte Rhone Poulenc St. Gobain Sitis Rossignoi Suez Telemecenique ThomsonBrandt Usinor BRAZIL Sept. 26 Acesita	284 328 294 328 292 340 474 145 146 286 286 265 16.0	+1.4 -2.5 -12 -12 +1.0 +1.0 -10 -11 -1.0 -1.0 -1.0 -1.0 -1.0 -1.	10. js 7.5 9 29.25 30 30 10.6 14.55 39 27 30.75 16.2 Div.	7.1 5.2 6.3 7.2 9.6 9.8 6.1 7.2 9.8 6.1	SPAIN V September 27 P Asland Banco Bilbao Banco Extenor B. Granada (1.000) Banco Hispano Bco. I. Cat. (1.000) Banco Madrid B. Santander (250) Bco. Urquijo (1.000)	26° <sub>6</sub> )  For cent 103 244 272 240 134 240 149 182 247 252 257	+ 1 - 2
	Paribas Pechlney Pernod Ricard. PeugeotCitroen Pocisin RadioT chnique Redotte Rhone Poulenc. \$L. Gobain Suez Telemecanique ThomsonPrandt Usinor  Sept. 26 Acesita Bancodo Brazil.	285.4 106.4 328 292 340 474 145.2 1,450 286 922 266.1 16.0	+1.4 -8.5 -12 -4 -1.0 -1.0 -1.0 -1.0 -1.0 -1.0 -1.0 -1.0	10. j5 7.5 9 29. 25 30 10.5 14.55 27 30.75 16.2 Div.	7.1 5.2 6.8 8.8 6.3 7.9 9.6 9.6 9.6 6.1 7.0 9.5 9.6 9.7 9.7 9.7 9.7 9.7 9.7 9.7 9.7 9.7 9.7	SPAIN ♥ September 27 P Asland Banco Bilbao Banco Central Banco Exterior Banco Exterior B. Granada (1,000) Banco Magdid B. Santznder (250) Bco. Urquijo (1,000) Banco Vizcaya Banco Zaragozana	26° <sub>6</sub> )  For cent 103 244 272 240 134 240 149 182 247 252 257	+ 1 - 2
	Paribas Pechinay Pernod Ricard. PeugeotCitroen Pociain RadioT chnique Redoute Rhone Poulenc. \$L Gobeln Sics Ressignoi Suez Telemecanique ThomsonBrandt Usinor  BRAZIL  Sept. 26  Acesita Bancodo Brazil. Bancodo Brazil. Banco Itau PN	285.1 106.4 284 328 292 340 474 145.1 146.2 266.1 16.0 Price Cruz 1.25 1.90	+1.4 -8.5 -12 -4 -1.0 -1.8 -10 -1.1 -1.0 -0.2 +0.56 +0.56	10.   5 7.5 9 29.25 30 10.5 14.5 27 30.75 16.2 Div.	7.1 5.2 6.8 6.5 7.2 9.6 9.6 6.1 7.0 9.6 7.2 9.6 6.1	SPAIN ♥ Septamber 27 P Asland Banco Bribao Central Banco Central Banco Extenor B. Granada (1.000) Banco Hispano Bco. J. Cat. (1.000) Banco Madrid B. Santander (250) Bco. Urquijo (1.000) Banco Vizcaya Banco Zaragozann Dragodos	26°a)  Procent 103 244 272 251 134 240 149 149 275 252 277 119	+ 1 - 2 - 1
	Paribas Peotliney Peotliney Pernod Ricard. PeugeotCitroen Pocisin RadioT chnique Redoute Redoute Redoute Sics Rossignoi Suez Telemecenique ThomsonBrandt Usinor BRAZIL Sept. 26 Acesita Eancodo Brazil. Banco Itau PN. Belgo Mi'elraOP	284 328 292 340 474 145.5 146.9 286 822 265.1 16.0 Price Cruz 1.25 1.90 1.40 2.40	+1.4 -2.5 -12 -4 -1.0 -1.0 -1.1 -1.0 -0.5 +0.5 +0.5 -0.0	10.   6 7. 5 9 20. 25 30 10. 6 14. 65 39 27 30. 75 16. 2 Div. 0. 14 0. 11 0. 0. 08	7.1 5.2 8.6.3 7.2 9.9 9.8 3.6.1 7.0 5.79 5.79 5.79	SPAIN ♥ September 27 P Asland Banco Bilbao Banco Central Banco Extenor Banco Hispane B. Granada (1,000) Banco Madrid B. Santznder (250) Bco. Urquijo (1,000) Banco Vizcaya Banco Zaragozana Dragodos Espanoje Zing	26° <sub>6</sub> )  Fr cent 103 244 272 280 149 192 247 205 2217 119 62	1 1 2 1 1 1 1 2 1 1 1 1 2 1 1
	Paribas Pechinay Pernod Ricard. PeugeotCitroen Pociain RadioT chnique Redoute Rhone Poulenc. \$L Gobeln Sics Ressignoi Suez Telemecanique ThomsonBrandt Usinor  BRAZIL  Sept. 26  Acesita Bancodo Brazil. Bancodo Brazil. Banco Itau PN	284 328 292 340 474 145 146 226 286 822 265 160 Price Cruz 1.25 1.90 1.40	+1.4 -2.5 -12 -4 -1.0 -1.0 -1.1 -1.0 -0.5 +0.5 +0.5 -0.0	10.   5 7.5 9 29.25 30 10.5 14.5 27 30.75 16.2 Div.	7.1 5.2 8.6.3 7.2 9.9 9.8 3.6.1 7.0 5.79 5.79 5.79	SPAIN V September 27 P Asland Banco Bilbao Banco Extenor B. Granada (1.000) Banco Hispano Banco Madrid B. Santander (250) Banco Madrid B. Santander (250) Banco Vizcaya Banco Zaragozana Dragados Espanola Zinc Foesz (1.000)	26°a)  Procent 103 244 272 244 272 134 240 149 182 245 257 119 62 56,25	+ 1 - 2
	Paribas Peoblinay Pernod Ricard. Peugeototroen Pocisin RadioT chnique Redoute	284 328 292 340 474 145 146 226 286 822 265 16.0 Price Cruz 1.25 1.90 1.40 2.40 2.40 2.40 2.40 2.40 2.40 2.40 2	+1.4 -8.5 -12 -1.0 -1.0 -1.0 -1.1 -1.1 -0.2 +0.00 -0.00	7.5 9 29.25 30 10.5 14.65 39 27 30.75 16.2 Div. 0.14 0.11 0.08 0.20	4.5.1 7.1.2 6.8 6.7.2.9 9.6.6 9.8.6 6.1 7.00 5.79 5.79 5.79 5.79 6.47	SPAIN ♥ September 27 Asland Banco Bribao Banco Central Banco Extenor B. Granada (1.000) Banco Mispano Bco. I. Cat. (1.000) Banco Madrid B. Santander (250) Banco Vizcaya Banco Zaragozann Dragados Dragados Espanola Zinc Feosz (1.000) Gel. Preciados	26° a)  103 244 272 251 134 249 192 247 205 251 118 252 247 254 254 254 254 254	+ 1 - 2 2 1 2 1 2 2 5 2 2 5
	Paribas Peoblinay Pernod Ricard. Peugeototroen Pocisin RadioT chnique Redoute	284 328 292 340 474 145 146 226 286 822 265 16.0 Price Cruz 1.25 1.90 1.40 2.40 2.40 2.40 2.40 2.40 2.40 2.40 2	+1.4 -2 -12 +1.0 +1.0 +1.0 -10 -11 -10 -10 -10 -10 -10 -1	10.16 7.5 29.35 30 10.6 14.55 39 27 16.2 10.08 10.08 10.08 10.08	4.5 7.1 5.2 8.8 6.5 2.6 9.8 9.8 9.8 9.8 9.8 9.7 11.2 9.8 9.7 11.2 9.7 9.7 9.7 9.7 9.7 9.7 9.7 9.7 9.7 9.7	SPAIN © September 27 P Asland Banco Bilboo Banco Central Banco Exterior B. Granada (1,000) Banco Hispano Bco. I. Cat. (1,000) Banco Madrid B. Santznder (250) Bco. Urquijo (1,000) Banco Vizcaya Banco Zaragozana Dragodos Espanola Zinc Espanola Zinc Feosz (1,000) Gel. Preciados Midrata	26° <sub>6</sub> )  For cent 103 244 272 249 192 240 192 251 134 290 252 257 119 62 55.25 62 75	+ 1 2 + 1 0.25 - + 0.50
	Paribas Pechlney Pernod Ricard. PeugeotCitroen Pocisin RadioT chnique Redotite Rhone Poulenc. St. Gobain Suez Telemecanique ThomsonBrandt Usinor  Sept. 26  Acesta Bancoto Brazil. Banco Itau PN. Belgo MP'elraoP Lojas Amer O.P Petrobras PP. Pirelill OP.	284 328 292 340 474 145.5 146.6 286 922 265.1 16.0 Price Cruz 1.25 1.90 1.40 2.36 1.70	+1.4 -2 -12 +1.0 +1.0 +1.0 -10 -11 -10 -10 -10 -10 -10 -1	10.16 7.5 29.35 30 10.6 14.55 39 27 16.2 10.08 10.08 10.08 10.08	4.5 7.1 5.2 8.8 6.5 2.6 9.8 9.8 9.8 9.8 9.8 9.7 11.2 9.8 9.7 11.2 9.7 9.7 9.7 9.7 9.7 9.7 9.7 9.7 9.7 9.7	SPAIN ♥ September 27 Asland Banco Bribao Banco Central Banco Exterior B. Granada (1.000) Banco Mispano Boo. I. Cot. (1.000) Banco Madrid B. Santander (250) Boc. Urquijo (1.000) Banco Vizcaya Banco Zaragozann Dragados Espanniz Zinc Feesz (1.000) God. Preciados Nidrota Hardrata	26° cent 103 244 272 251 134 272 280 149 182 247 252 217 118 252 275 56 87	+ 1 - 2 2 1 2 1 2 2 5 2 2 5
	Paribas Pechlney Pernod Ricard. PeugeotCitroen Poclain RadioT chnique Redoute Rhone Poulenc. St. Gobeln Sica Ressignof Suez Telemecanique ThomsonBrandt Ueinor  SRAZIL  Sept. 26  Acesita Eancodo Brazil. Banco Itau PN. Belgo Mi'eiraoP Lojas Amer O.P. Petrobras PP. Pirelli OP. Souzz Gruz OP.	284 328 329 340 474 145 1,460 286 822 1,460 286 822 1,60 1,25 1,90 2,40 2,40 2,40 2,40 2,40 2,40 2,40 2,4	+1.4 -2.5 -12 -1.0 -	10.16 7.5 9 20.35 10.5 30 10.5 39 27 30.75 16.2 16.2 10.08 80.03 0.03 0.03 0.03	4.5 7.1 5.2 8.5 7.2 9.6 8.5 7.2 9.6 8.5 7.2 9.6 8.5 7.2 9.6 8.5 7.2 9.6 8.7 7.2 9.6 8.7 7.2 9.6 8.7 7.7 8.7 8	SPAIN ♥ September 27 Asland Banco Bribao Banco Central Banco Exterior B. Granada (1.000) Banco Mispano Boo. I. Cot. (1.000) Banco Madrid B. Santander (250) Boc. Urquijo (1.000) Banco Vizcaya Banco Zaragozann Dragados Espanniz Zinc Feesz (1.000) God. Preciados Nidrota Hardrata	26° cent 103 244 272 251 134 272 280 149 182 247 252 217 118 252 275 56 87	+ 1 2 + 1 0.25 - + 0.50
,	Paribas Peoblney Pernod Ricard. Peugeotottroen Pocisin RadioT chnique Redoute Rhone Poulenc. St. Gobain Suez Telemecanique ThomsonBrandt Usinor BRAZIL Sapt. 28 Acesita Bancodo Brazil. Banco Itau PN. Belgo Mi'elraoP Lojas Amer O.P. Petrobras PP. Pireill OP Souza Cruz OP Unip PE	2854 328 292 340 474 145.5 146.0 286 226.1 16.0 Price Cruz 1.25 1.90 1.40 2.36 1.70 2.36 1.70 2.36 1.70 2.36	+1.4 -8.5 -2 -12 +1.0 +1.0 -10 -11 -11 -10 -11 -10 -10 -1	10.16 7.5 9 29.35 30 10.5 14,55 16.2 27 39.7; 16.2 16.2 10.08 10.08 10.08 10.08 10.08 10.08	4.5 7.1 5.2 8.8 5.7 9.9 6.1 9.6 8.8 7.2 9.6 8.8 7.2 9.6 8.8 7.2 9.6 8.8 7.2 9.6 8.8 7.2 9.6 8.8 7.2 9.6 8.8 7.2 9.6 8.8 7.2 9.6 8.8 7.6 7.6 7.6 7.6 7.6 7.6 7.6 7.6 7.6 7.6	SPAIN ♥ September 27 Asland Banco Bribao Banco Central Banco Exterior B. Granada (1.000) Banco Mispano Boo. I. Cot. (1.000) Banco Madrid B. Santander (250) Boc. Urquijo (1.000) Banco Vizcaya Banco Zaragozann Dragados Espanniz Zinc Feesz (1.000) God. Preciados Nidrota Hardrata	26° cent 103 244 272 251 134 272 280 149 182 247 252 217 118 252 275 56 87	+ 1 - 2 1 - 25 0.25 - 0.25
,	Paribas Peoblney Pernod Ricard. Peugeotottroen Pocisin RadioT chnique Redoute Rhone Poulenc. St. Gobain Suez Telemecanique ThomsonBrandt Usinor BRAZIL Sapt. 28 Acesita Bancodo Brazil. Banco Itau PN. Belgo Mi'elraoP Lojas Amer O.P. Petrobras PP. Pireill OP Souza Cruz OP Unip PE	2854 328 292 340 474 145.5 146.0 286 226.1 16.0 Price Cruz 1.25 1.90 1.40 2.36 1.70 2.36 1.70 2.36 1.70 2.36	+1.4 -8.5 -2 -12 +1.0 +1.0 -10 -11 -11 -10 -11 -10 -10 -1	10.16 7.5 9 29.35 30 10.5 14,55 16.2 27 39.7; 16.2 16.2 10.08 10.08 10.08 10.08 10.08 10.08	4.5 7.1 5.2 8.8 5.7 9.9 6.1 9.6 8.8 7.2 9.6 8.8 7.2 9.6 8.8 7.2 9.6 8.8 7.2 9.6 8.8 7.2 9.6 8.8 7.2 9.6 8.8 7.2 9.6 8.8 7.2 9.6 8.8 7.6 7.6 7.6 7.6 7.6 7.6 7.6 7.6 7.6 7.6	SPAIN V September 27 Asland Banco Bibbo Banco Bibbo Banco Bibbo Banco Hispano B. Granada (1,000) Banco Hispano B. Cat (1,000) Banco Madrid B. Santander (250) Banco Vizcaya Banco Perciados Banco Perciados Banco Perciados Bidrota Iberduero Petroliber Petroliber	26° (3)  Por Cent 103 244 272 244 272 281 149 192 247 119 62 62 75 65 75	+ 1 2 + 1 0.25 - + 0.50
,	Paribas Pechlney Pernod Ricard. PeugeotCitroen Poclain RadioT chnique Redoute Rhone Poulenc. St. Gobeln Sica Ressignof Suez Telemecanique ThomsonBrandt Ueinor  SRAZIL  Sept. 26  Acesita Eancodo Brazil. Banco Itau PN. Belgo Mi'eiraoP Lojas Amer O.P. Petrobras PP. Pirelli OP. Souzz Gruz OP.	284 328 292 340 474 145.5 1460 286 822 265.1 16.0 Price Cruz 1.25 1.90 1.40 2.36 1.70 1.70 1.70 2.88 4.90 2.88	-1.4 -2 -12 -12 -1 -1.2 -1.3 -1.3 -1.0 -1.1 -1.1 -1.1 -1.0 -1.0 -1.0 -1.0	7.5 7.5 7.5 7.5 7.5 7.5 7.5 7.5 7.5 7.5	4.51 5.22 8.5.5.22 9.6.6.1 7.22 9.6.6.1 7.22 9.6.6.1 7.22 9.6.6.1 7.22 9.6.6.1 7.22 9.6.6.1 7.22 9.6.6.1 7.22 9.6.6.1 7.22 9.6.6.1 7.22 9.6.6.2 7.22 9.6.6.2 7.22 9.6.6.2 7.22 9.6.6.2 7.22 9.6.6.2 7.22 9.6.6.2 7.22 9.6.6.2 7.22 9.6.6.2 7.22 9.6.6.2 7.22 9.6.6.2 7.22 9.6.6.2 7.22 9.6.6.2 7.22 9.6.6.2 7.22 9.6.6.2 7.22 9.6.6.2 7.22 9.6.6.2 7.22 9.6.2 7.22 9.6.2 7.22 9.6.2	SPAIN © September 27 P Asland Banco Bilboo Banco Central Banco Exterior B. Granada (1,000) Banco Hispano Bco. I. Cat. (1,000) Banco Madrid B. Santznder (250) Bco. Urquijo (1,000) Banco Vizcaya Banco Zaragozana Dragodos Espanola Zinc Espanola Zinc Feosz (1,000) Gel. Preciados Midrata	26° (a)  103 244 272 240 149 192 247 205 247 205 247 215 257 257 257 257 277 119 277 275 277 119 277 275 277 277 277 277 277 277 277 277	+ 1 - 2 1 - 25 0.25 - 0.25

					<del> </del>			
AKZ C AKZ C ARB C HO C HO C KLM C KLM C KLM C	F.27.50 F.30 F.75 F.30 F.32.50 F.35 F.90 F.100 F.110 F.120	60 3 20 10 47	1.30 0.20 0.90 0.20 0.10 	5 25 6 8 16 94 124 70	2,20 1,20 1.50 1.50 2 7.70 3.30 1.10 0.50	65 	5.10	F.28,40 F.71,50 F.80,90
KLM P FIN C PET C PHI C PHI C PHI C	F.90; F.100; F.120; F.100; F.110; F.120; F.5000; F.5600; F.5600; F.5600; F.5600; F.5600; F.5600; F.5600; F.5600;	=	7,20 15,80 12,50 6 3 870 80		1,80 7,30 16,50 26,50 28,90 12,80 9,10 5,10 	37 9 	2.70 8,40 16,20 	F.81,50 Fr.6350 F.22,60
	F.136 F.140 F.145 F.150 F.140 F.145 F.150 F.160	2 65 221 635 227 — 105 15	18 14.20 9.60 5.50 0,60 — 0.50 6,80	51 248 458 20 120 61	11.60 7.80 3.30 0.80 1.50	5 147 1 4 55	16.70 18.60 10 1.50 2.50 5.70	F,156.40

**EUROPEAN OPTIONS EXCHANGE** 

Vol. Last

TOTAL VOLUME IN CONTRACTS

401a 277a 154a 084a 45a 377a 164a 2893a 56a 2893a 56a 2893a 56a 2893a 1891a 2893a 1891a 2893a 1891a 1893a 1891a 1893a 1891a 1893a 1891a 1893a 1891a 1893a 1891a 1893a 1891a 18 Union Pacific
Unitroyal
Unitroyal
Unitrod Brands
US Bancorp
US Gypsum
US Shos
US Steel
US Teelcomm
UV Industries
Virginia Elect
Walgreen
Waller-Burres
Wanner-Commn
Warner-Lamberts
Waste-Man.ment
Western Bancorp
Western Bancorp
Western Namer.
Western Union.
W stinghse Elect
Weyerhaelber
Whitpool Ind

BASE LENI	DING RATES
A.B.N. Bank14 %	Hill Samuel
Amro Bank 14 %	C. Hoare & Co14 %
American Express Bk. 14 %	Julian S. Hodge
A P Bank Ltd 14 %	Hongkong & Shanghai 14 %
Henry Ausbacher 14 %	Industrial Bk. of Scot, 144%
Associates Cap. Corp 14 %	Keyser Ullmann 14 %
Banco de Bilbao 14 %	Knowsley & Co. Ltd 151%
Bank of Credit & Cance, 14 %	Lloyds Bank 14 %
Bank of Cyprus 14 %	London Mercantile 14 %
Bank of N.S.W 14 %	Edward Manson & Co. 15 %
Banque Belge Ltd 14 %	Midland Bank 14 %
Banque du Rhone et de	■ Samuel Montagn 14 %
la Tamise S.A 141%	Morgan Grenfell 14 %
Barclays Bank 14 %	National Westminster 14 %
Bremar Holdings Ltd. 15 %	Norwich General Trust 14 %
Brit. Bank of Mid. East 14 %	P. S. Refson & Co 14 %
Brown Shipley 14 %	Rossminster 14 %
Canada Penn't Trust 14 %	Ryl. Bk. Canada (Ldn.) 14 %
Cayzer Ltd 14 %	Schlesinger Limited 14 %
Cedar Holdings 14 %	E. S. Schwah 15 %
Charterhouse Japhet 14 %	Ryl. Bk. Canada (Ldh.) 14 % Schlesinger Limited 14 % E. S. Schwah
Choulartons 14 %	Submich light """ To P
C. R. Coates 14 %	Standard Chartered 14 %
Consolidated Credits 14 %	Trade Dev. Bank 14 %
Co-operative Bank*14 %	Trustee Savings Bank 14 %
Corinthian Secs 14 %	Twentieth Century Bk. 15 %
Credit Lyonnais 14 %	United Bank of Kuwait 14 %
The Cyprus Popular Bk. 14 %	Whiteaway Laidlaw 14)%
Duncan Lawrie 14 %	Williams & Glyn's 14 %
Eagil Trust 14 %	Yorkshire Bank 14 %
English Transcont 14 %	Members of the Accepting Houses
First Nat. Fin. Corp. 151%	
First Nat. Secs. Ltd 151%	* 7-day deposits 112%, 1-month
TITAL TIME NAME THAT IS NOT THE	demands, 447 W

Price + or | Div. Yid 336 276 567 78 206 324

185 7.1 185 8.9 600 2.8 120 2.7 12.50 + 1.5 868 - 6 2,614 + 9 2,077 - 3 129 - 2 10 8.9 -1 9 3.3 +2 38 8.5 - 9 4.4 +2 10 3.1

からいいい

Wheat crop

Wheat Council has lowered its forceast for 1979-80 world

wheat crop to 405m tonnes. This compares with the July estimate of 410m-415m tonnes,

and output of 442.5m tonnes.
As a result, carry over stocks in the five major ex-

porting countries are expected

to fall to 48.1m. tonnes, against 54m tonnes pre-

The main reason for the

fall in world wheat output is a decline in Soviet produc-

tion, now forecast at 85m

toni, now forecast at 55m tonnes—almost 36m tonnes below the 1978 record levie. The Soviet shortfall more than offsets rises elsewhere, notably the U.S. and China. Meanwhile, in Paris the National Course of the second

National Cereals Office raised

its estimate for the 1979-80 French wheat deliveries to

15.5m tonnes from its end-August forecast of 14.7m to 15.2m tonnes. But this is still well below the record

of 17.2m tonnes produced last

The estimate of maize deliveries for 1979-80 is 3.5m

tonnes, compared with 7.68m in 1978-79, according to the

The office has raised its estimate for hard wheat deliveries to 316,000 tonnes,

INTERNATIONAL

estimate

lowered

### **Boost for** Ghana's cocoa crop

ACCRA-Ghana's mid-season cocoa crop has exceeded all expectations.

Reports from main cocoa growing areas indicate that purchases of the mid-crop will total at least 13,000 tonnes, Mr. Kwame Pianim, chief executive of the Ghana Cocoa Marketing Board said here.

Mr. Piainim said this would be more than 50 per cent higher than the average for the past

He expected purchases during the main crop season, starting on October 12, to exceed last year's low figure of 250,000

Mr. Pianim attributed the improved purchasing figures for the mid-crop season, which ended yesterday, to effective policing of Ghana's borders with Togo and the Ivory Coast, a higher producer price now paid to Ghanaian farmers, and good

Mid-crop purchases in the Volta region, which borders Togo, are reported to have gone up from 55 tonnes last season to more than 700 tonnes this

Both the Ivory Coast and Togo had benefited from largescale smuggling of Ghana's cocoa in the past few years. This had cost Ghana more than 50,000 tonnes of cocoa a year. France must scrap its controls

# French protest over fish rules

BY CHRISTOPHER PARKES

ANGRY BRETON fishermen yesterday dumped a lorryload of lobsters and crayfish from Britain into Roscoff harbour, sprayed a shipment of mackerel with diesel oil and temporarily invaded the cross-Channel ferry Cornouailles.

They were protesting at newly-introduced British regulations governing the size of mesh permitted on shrimp boats fish-ing inside the UK's 200-mile

As the fracas developed British farmers and meat traders were preparing a plan to ship lamb to France, which could result in similar scenes at other French ports. This would further heighten the growing tensions between the British and French Governments over Common Market fish

and farm policy: FMC, the biggest meat company in the country is one of several traders believed to be planning to ship loads of lamb to France next week in defiance of a French import ban.

M. Plette Mehaignerie, the French Minister of Agriculture, said on Wednesday that be would appeal against the recent European Court ruling that

on imports of lamb from the In the meantime, the current ban would remain in force, he

Angered by M. Mehaignerie's intransigence, Mr. Richard Butler, president of the National Farmers' Union, yesterday accused the French of trying to "impose a small, highly protected luxury market for lamb upon the EEC.

"Until she gets her way in this, France refuses to admit Britain to the Common Market we joined seven years ago." The French attitude would "shake the faith of the British

farmer in the Common Agricul-

tural Policy," he said.
"They are bound to see that there is one rule for the UK and another for France." During the outbursts, Mr. Peter Walker, Minister of Agriculture, was closeted at an informal meeting with his EEC counterparts, in the Irish countryside.

Physical attacks on conten-tious cargoes have become common place at French frontiers. Last year, pigs coming in from Belgium and Holland

### up from the previous estimate of 288,000 tonnes Pressure on sugar quotas

attacked GEORGETOWN — Guyana has complained bitterly about difficulties in holding on to sugar

Lome Convention Mr. Ian McDonald, the country's chief sugar marketing expert, told technologists of the Sugar Association of the Caribbean (SAC) that the sanctity of

"Sometimes one feels like a man running backwards and forwards along an endangered dam, patching and patching, as French beet farmers, bureaucrats in Brusels, and unsympathetic European pressure groups of all sorts, who do not know or hardly care about our circumstances, try to punch holes in the dam and let the whole

be agreed. He said the slightest shortfall could lead to immediate suspension of quotas.

Oak wilt is a fungus disease of oak trees, which occurs in about 21 states in a central and

### FRENCH LAMB RULING

# Little reason for optimism

These restrictions, which can vary from a heavy duty to an outright ban, according to the French market price have kept French lamb prices at a substantially higher level than those in the UK. They have also resulted in a steady fall of exports directly from the UK into France, which has not been matched by exports to other

European countries.

The attraction of the French market is obvious. The present market price is sustained at about 220p a kilo, while that in Britain has fallen from about 210p in early May to 135p last replacements haveek. There has been a ban on imports into France for the last for some years. seven weeks: When the market was open, the duty was as high

are quite a few of them — are

The prospects for next year likely to be disappointed. The do not look much better, general expectation is that the According to the Meat and Live-

THE EUROPEAN Court's 30 per cent lower than last year. French farmers, whose sheep decision that the French and the returns from older ewes systems are in general intensive. The systems are based on housheep meat imports from the Even fat lambs, now in receipt ing and concentrate feeding and UK are illegal has been well of a deficiency payment, are not on grass, as in Britain. The making clichtly less than they effects of unloading a further UK are illegal has been welcomed by Britain's sheep making slightly less than they farmers:

Were at the same time last year. This has particularly affected the fortunes of hill farmers, who rely on sales of cross-bred breeding sheep for a major part

Europe.

of their income, and who suf-fered seriously last winter from bad weather conditions. The circumstances have also materially affected many farmers who buy young sheep, keep them for a year and then resell them. They say that the ewes they have sold this autumn have not covered their cost as.

ewe lambs last year. Some farmers, of course, have benefited. Those who buy replacements have been able to do so at the most economic level

The basic reason for the poor trade in ewes is that numbers have increased under the stimuas 86p a kilo.

But farmers who hope that lation of high prices in past the court judgment will open years to a point where they have the French market — and there exceeded demand.

French Government, prodded stock Commission (MLC), the by militant farmers, will use supply of mutton and lamb in every means in its power to 1980 could be up to 20,000 prevent absolute free trade in tonnes higher than this year, sheep meat.

This will be had news in the addition, the MLC notes, con-UK, because the trade for sheep sumption of sheep meat is show-

effects of unloading a further 10,000 or 20,000 tonnes of lamb onto the French market could bring the price there back to UK levels—a price which would put many French farmers out

of business. Because the French market become difficult, exporters have moved into other markets, particularly Belgium and Germany, where no duty is levied. And some of these exports have found their way to France. But growth in these markets is extremely slow. Competition is fierce, particularly from Eastern

The position is complicated by the importation into the UK large quantities of New Zealand lamb. French spokesmen insist that any freeing of trade in sheep meat between Britain and France should include some measure of control over New Zealand imports, Otherwise, they say, the British will eat cheap, New Zealand lamb, while exporting their own

to France. This is the reason behind the insistence that there should be a sheep regulation under Common Market rules, to include minimum import prices, intervention buying and so on, all paid for with Community cash.

Minister of Agriculture, who has stated that there should be no interference with New Zealand imports, and that any financing of French sheep farmers should be a national responsibility.

He has also suggested that, as Britain immediately repealed a ban on potate imports when ordered to by the Court, that the French should follow suit.

But the two products are not quite compatible. Transport costs effectively act as a bar to potato imports—being from 30 to 50 per cent of the market while the costs of shipping lamb to Paris are probably no more than 5 per cent of their final value.

Sheep farming in France is an important industry with a total of 11.5m head, as against 28m in the UK. The sheep are mostly concentrated in upland areas of Southern and Central France, and successive Governments have spent large sums helping sheep holdings and produce for a specialised market.

This is for a lean meaty lamb with very little fat, selling at a very high price—a luxury and not an everyday food. This is quite different from what the British trade have regarded as fat lamb until now. No doubt the twain could one day meet the twain could one day meet. but there could be a very long and difficult period before a this autumn is very depressed, ing a slight decline.

paid for with Community cash, and difficult period before a The prices of breeding ewes and it is obvious that these controls is at present ruled out completely free market is ewe lambs are between 20 and siderations are apparent to of court by Mr. Pater Walker, established.

## Farm tax claims countered

BY CHRISTOPHER PARKES

occupier farmers in Britain can in the two countries. ensure that their holdings are passed intact to their heirs without the need to sell off land to meet tax bills, according to a study by the Milk Marketing

The findings appear to con-tradict dramatic claims from agricultural organisations that present tax laws will lead to the dismemberment of farm holdings in general.

"By using the concessions available, a farmer of reasonable management ability should be able to pass intact to his heir a farm of up to 400 hectares," the study says.

Average farm size in England and Wales is 48 hectares, according to latest Government data. and there are 199,000 farmers. The Ministry of Agriculture does not provide statistics which used to cover taxes, and farmers can be directly applied to the can convert their holdings to

THE GREAT majority of owner- farms of more than 500 hectares

The board's analysis shows, however, that recent rapid increases in land and other asset values have greatly increased the owner-occupier's notional

Investigation of a sample of 163 dairy farms shows that on a farm of about 100 hectares the potential CTT liability has risen from £18,000 in 1975 to £54,000

Apart from gaining valuable concessions from the Government since 1975, owner-occupiers can also ease their tax liabilities by making personal

ATTRIBUTEDINGS. The bills can be reduced by splitting farms equally between husband and wife. Children can be made partners and assets can be gradually made over to them. Insurance policies can be Milk Board's theory, but they tenancies and let their land to church Roshow that there are only 900 partnerships of which they are RG2 7AW. tenancies and let their land to

members. The study stresses that most of the concessions and loopholes are available only to working farmers and not absentee landlords. "This obviously has grave implications for the private landliability for capital transfer tax. owner and as a consequence the long-term future of the tenant farmer," it adds.

There has been a relatively rapid decline in the proportion of tenanted holdings in Britain from 88 per cent in 1908 to 48 per cent last year. The report also notes that

among the dairy farms studied profits increased sharply last year. Average profit per hectare on the owner-occupied holdings rose from £77 to £127. Tenants' profits rose from £69 to £138 a hectare. Tenants and Owner-occupiers:

Changes in Financial Fortune 1975-78, Milk Marketing Board. Farm Management Services Information Unit, 39, Christ-church Road, Reading, Berks.,

Morning: Cash £775, three mont £759, 60, 59, 63, 66, 63, 64, 63, Ker Three months £764, 65, 64. Attendor Cash £777, three months £768, 63, 6 57, 68.5, 66, 85, 82, 61, 80, 59, 5 56. Kerb: Three months £755, 56.

MICKEL—Higher. Forward metal stracmd good buying which took the price up to £2,810 in the early afternoon. However, this level brought out profit-taking and this coupled with a rise in sie fing saw the price dip to close the late kerb at £2,780. Turnover: 476 tonnes.

Spot --- 742.00p +85.8 751.0p +54.5 3 months 755.50p +85.8 769.0p +52.8 6 months 781.00p +82.9 --- 12months 810.00p +83.2

Cocoa futures remained steady in thin and nervous conditions relating closely to the performance of Sterling. Producing countries for the most part emeined withdrawn being reluctant to follow the lower market although small parcels water reported to have been sold from the Cameroons and Brazilian shippers. Consumer interest was also negligible with only small demand appearing from the German industry.

# Oak wilt compromise emerging

quotas into Europe under the

the quota had to be fought for from day to day.

structure wash away," Mr. McDonald said.

### BY A SPECIAL CORRESPONDENT AFTER THE latest round of eastern band of the U.S. The against the risk of importing the been fully considered, the UK disease. The Importation of Wood and Bark (Prohibition) talks on oak wift disease at symptoms are similar to Dutch elm disease; the foliage wilts and turns brown and may then

Brussels it now seems unlikely that the EEC will concede the original French request for a complete ban on imports of American oak.

The French began their cam-paign against U.S., oak imports last February. Since then the position has been under review by the EEC plant health com-mittee, which first set itself the target of producing new regulations by September 1. But it is now apparent that the end of this year is the earliest date by which any new regulations can

be shed from the ends of the branches in the upper crown of the tree. Unlike the present strain of Dutch elm disease, oak wilt is not particularly virulent and its spread is slow. It has been known and recognised in the U.S. since 1942, but large areas within the affected states

Britain imports very few American oak logs. But there are considerable imports of sawn oak lumber, mostly used to make barrels for the Scotch whisky distillers. There is no acceptable substitute. Britain has already erected barriers

Order 1977 lays down that all bark must be removed in the country of origin. The moisture content of first sawn timber must be below 20 per cent. Fully sawn or square edged material falls outside regulation because the layer of wood immediately below the bark is removed. This is thought to make the risk of infection small.

tion in Brussels there seems to

Timber Growers Organisation appeared to be willing to agree that Britain's present stringent regulations were a sufficient safeguard. The French bave become far less vociferous for a complete ban.

At first, the EEC plant health committee appeared to be leaning towards the application of regulations broadly in line with those already in force in Britain. During the months of negotiather and the second sec which imports a large number of have been some modification of oak logs from America for its the positions that were first big veneer cutting trade. It maindrawn up. Once the implications of an import ban for the logs would deteriorate during whisky distilling industry had transport.

### BRITISH COMMODITY MARKETS

BASE METALS

Morning: Standard, cash £7,320, 7,300, three months £7,050, 7,100, 10, 05. Karb: Standard, three months £7,110, 7,100. Alternoon: Standard, three months £7,120, 10, 15, 10. Kerb: Standard, three months £7,150. LEAD—Higher influenced by the con-tinuing upsured in copper. Forward menti advanced strongly to touch 5648 on heavy speculative buying before fall-ling back to close the late kerb at 5628 owing to a reaction in copper, firmer storling and profit-taking. Turnover: 10.350 tonnes. Morning: Cosh 5844, three months

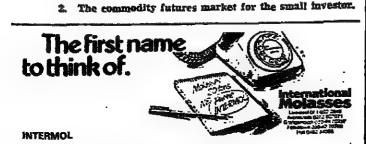
### INSURANCE BASE RATES

† Property Growth ...... 124% † Vanbrugh Guaronteed ...... 121%

CORAL INDEX: Close 471-476

Three month Gold 405-410 I.G. Index Limited 01-351 3466. 29 Lamont Road, London SW10 0HS.

1. Tax-free trading on commodity futures.



### COMPANY NOTICES

_	
	NEW KLEINFONTEIN PROPERTIES LIMITED  INTERIM REPORT  The unusualited results of the Group's operations for the six months ended 30 june 1979 are as follows:  Some months ended 30 june 1978 1978 1978 1978 1978 1978 1978 1978
	ov outside parties of small deputs. In the treat stock Exchange activity in the shares of the Company, new-hably potes the ottestion whether the large dumps are or are likely to become capable of stockable retreatment. To this end the Board has decided to engage the services of a firm of Milabe and the Board has decided to engage the services of a firm of Milabe and the services of a firm of Milabe and the services of a firm of Milabe title. These investigate on, which may be confucted in conjunction with certain other neighbouring must productive, are likely to extend per some months and one productive, are likely to extend per some months and outper neighbouring nume productive, are likely to extend per some months and outper solutions.  By Order of the Board outper exchange the solution of the Board outper evaluations.
- 1	E SROOM

Mr. Oak

LEAD Official ; - Unoffic's

ZINC—Be ely changed. After moving shead to £375 reflecting budyant copper and lead forward matal reacted on profit-teking to close the late kerb at £384. Turnover: 7,475 tennes.

COFFEE

\$582-5 +9 \$59-61 \$71.2 +8 \$68.9 \$65 +8 \*\$55-7 Morning: Three months £367, 58, 70, 71. Kerb: Three months £369, 71. Afternoon: Three months £373, 75, 77, 78, 75, 75, 79, 72.5, 72, 71, 70. Kerb: Three months £370, 68, 58, 64, 53, 64, 65, 64. ALUMINIUM Firmer on the beck of strong rises in other metals. Forward metal was merked up to £770 in the meming but fell on profit-taking, fi meritaring and reactions in other metals to close the late kerb £765. Turnover:

| September | 1832-54 | -9.5 | 1840-32 | November | 1859-70 | -7.0 | 1880-65 | January | 1886-87 | -8.0 | 1894-90 | -9.5 | 1850-40 | 4849 | -1.5 | 1826-30 | -8.5 | 1834-28 | July | 1896-10 | 7.5 | 1820 | 1795-10 | 7.5 | -2.0 | ormend - unofficial -775-6 +1.5 765-8 +7.5 762-3 ..... 756-7 +1.5

Sales: 2,571 (2,552) lots of 5 tonnes. ICS Indicator prices for September 26 (cents per pound): Other Mild Arabicas 210.00 (210.50). Robustas (CA 1976 189.50 (189.75). ICA 1988 189.75 (190.00). Unwashed Arabicas 210.00 (same). Comp. daily ICA 1968 205.17 (206.25).

GRAINS WHEAT BARLEY Yesterd'ys +or Yesterdys +or close - close -

May 105.65 -0.2 103.80 -0.69

Business done-Wheet: Nov. 96.05\$5.50, Jan. 100,20-98.80, March 103.60103.10, May 106.70-108.30. Sales: 169
lots of 100 tonnes. Barley: Nov. 92.95\$2.50, Jan. 97.00-96.85. Merch 100,30100.00, May 103.40-103.10. Sales: 134
lots of 100 tonnes.

IMPORTED-Wheat: CWRS No. 1, 13½
per cast. unquoted. U.S. Dark Northern
Spring No. 2, 14 per cent. Sept. 101.85.
Oct. 101.90, Nov. 102.90, transhipment
East Coast. U.S. Hard Winter, 13½ per
cent, Oct. 102.9, Nov. 104.65, transhipment East Coast. Hec unquoted. S.
Alrican White enquoted. S. Alrican
Yetlow Sept.-0ct. 82.50 nominal.
Barley: English Feed tob Oct. 92. Oct.
Oct. 55. Jan.-Merch 101. sellers East
Coast. Jen.-Merch 100.25-100.75 paid
East Coast. Sorghum: U.S./Argentine
unquoted. Ost: Scandinavian lead
unquoted. Ost: Scandinavian lead
unquoted. Ost: Scandinavian lead
unquoted. Ost: Scandinavian lead
unquoted. Morning: Three months 22,785, 2,800, 2,780, 95, 2,810, 2,800, 10. Kerts: Three months :2,800. Afternoon: Three months :2,810, 0,5, 2,800, 2,797, Kerb: Three months :2,790,

Silver was fixed 63.8p an ounce higher for spot delivery in the London buillion market yesterday at 742.50p. U.S. cant equivalents of the fixing levels were: spot 1.631.0c, up 159.0c; stree-month 1.675.6c, up 159.0c; sixmonth 1.704.9c, up 159.2c. The metal opened at 7029.7359.0 (1.550-1.635c) and closed at 728-760p (1.600-1.675c).

SYDNEY GREASY WOOL—Close (in orust) buyer, seller, business, sales). Micron Contract: Oct. 430.0, 471.5, 44 432.0-426.0, 56: Dec. 441.0, 441.5, 441.5-426.5. 103: March 451.0, 452.0, 453.0-447.5. 154: May 457.0, 458.0, 459.5-448.5. 38: July 459.0. 459.5-458.0. 459.5-488.5. 38: July 459.0. 459.5-458.0. 55: Dec. 452.0, 464.0-458.0. 55: March AS2.0, 464.0-458.0. 55: March AS2.0, 459.0, 464.0-458.0. 55: March AS2.0, 459.0, 459.0, 462.0. 18. CONDON GREASY WOOL—Close (in cross buyer, seller only). Oct. 218.0. 233.0: Dec. 218.0, 238.0: March/May/July/Oct./Dec./March 220.0. NEW ZEALAND CROSSEREDS—Close (in order buyer, seller only). Oct. 180.0, 195.0: Dec. 190.0, 202.0: March/May/July/Oct./Dec./Merch 195.0, 202.0. May/July/Oct./Dec./Merch 195.0, 202.0.

WGOL FUTURES

Sales: 532 (357) et 15 tonnes, 1D (2) et 5 tonnes, 1D sales: 532 (357) et 15 tonnes, 1D (2) et 5 tonnes, 1D (51.25p), Nov. 65.00p (same), Dec. 95.75p (same).

SOYABEAN MEAL

The me ket opened with losses of £1 on strength of Sterling encouraging bedge selling, reported T. G. Roddick. Good trade pricing geve support to the market and with partial recovery in U.S. prices finished firm. Yest'rd'y +or Business Gloss - Dons

LONDOM DAILY PRICE (taw sugar):
115.00 (1172.00) a tonne of for Sept.,
Oct., Nov. shipments. White sugar
delity price was £125.00 (asme).
The market opened higher but
fatered under the weight of trade selling until a better then expected New
York opening produced a flurry of
fresh buying orders and gains of £2.75
were recorded from overnight levels.
Profit-taking pared gains slightly at the
close. The prompt October account
liquidated at £177.00 with a small open
position ramaining, against which
tanders will be announced tomorrow. Sugar Pref. Yester-Comm. day's Con. Close

Sales: 5,195 (5,179) lots of 5 tonnes.
Tate and Lyle ex-refinery price for granulated basis white sugar was 229,55 (asma) a tonne for home trade and £187,00 (£184,00) for export.

**MEAT/VEGETABLES** MEAT COMMISSION—Average fatstock prices at representative markets
on September 22. GB carde 73,92p per
kg. l.w. (-2.64); UK sheep 129 8p per
kg. l.w. (+1.8). England and
Wales: Carde numbers up 5.7 per cent,
sverage price 73.38p (-2.87); Sheep
numbers up 3.7 per cent, average price
130.5p (-8.7); Pig numbers up 13.0 per
cent, average price 70.4p (+1.9).
Scottand: Carde numbers up 13.2 per
cent, average price 75.21p (-2.13);
Sheep numbers up 34 2 per
cent, average price 75.21p (-2.13);
Sheep numbers up 34 2 per
cent, average price 75.21p (-2.13);
Sheep numbers up 34 2 per
cent, average price 76.21p (-2.13);
Sheep numbers up 34 2 per
cent, sverage price 76.20 (-4.1).
SMITMFIELD—pence per pound. Beef;
Scottish killed sides 60.0 to 65.0, Erre

1.25

# PRICE CHANGES

Metals Aluminium ...... 2710/50 Froe Mkt (es) \$1620/1848; | Cash | 27,540 | +80 25,775 | 17,540 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 15,775 | 

onut (Phil). 8908.00 ariay Futuras 296.90 -0.5 291.80 French NoSAM ‡ £189.5 

02har ecomodities | 44 £1,468 | 51,468 | 51,468 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,511.6 | 51,51

hindquartars 88.0 to 72.0, forequartars 44.0 to 48.0. Veal: English fata 68.0 to 75.0, \*fata 78.0, Dutch kinds and ends 98.0 to 103.0. Lamb: English small 54.0 to 52.0, medium 52.0 to 55.0, heavy 44.0 to 53.0, Scottish medium 52.0 to 56.0, heavy 43.0 to 52.0, Imported frozen-N.Z. Pl. 48.5 to 49.5. Po k English, under 100 ib 38.0 to 48.0, 100-120 ib 38.0 to 47.0, 120-160 ib 38.0 to 45.0. Grouse: Young, best (each) 280.0 to 320.0. \*Special quoration—very high quality

1.20-1.30; Guernsey: 1.40. Cabbages—Durch: White. net 2.00. Pomegrenates—Spenish: Trays 3.60-4.00 English Produce: Potatoes—Per bag 1.50-2.20 Lattice—Per 12 round 1.00, Cos 1.50. Webb's 1.40. Micahros—Per pound 0.60-0.70. Apples—Per pound Bramley 0.05&10. Howgates 0.05-0.06. Worcaster Paarmain 0.06-0.03. Tydeman's 0.03, Derby's 0.04-0.05. Cox's

### AMERICAN MARKETS

Jan. 71.30, Fab. 71.25-71.25, April 71.90-71.70, Juna 72.60-72.70, Aug. 72.00-71.70, Oct. 70.75, Dec. 72.00, Salear 72.199, Oct. 70.76, Dec. 72.00, Salear 72.199, Live Hoge—Oct. 38.00-38.85 (36.55-38.32), Dec. 37.35-37.20 (37.15-37.37), Fab. 39.20-39.00, April 37.50-37.85, Juna 41.20, July 41.50-41.50, Aug. 40.90, Oct. 40.00, Dac. 41.15, Salear 7.208, ±3Maire—Dec. 2651-2851 (2781), Mary 308, July 3104-3104, Sept. 312-, Dec. 313, Park Bellies—Pab. 43.05-42.80 (42.35-43.12), Mary 44.00, July 41.50-42.80 (42.35-43.12), Mary 44.00, July 45.20, Aug. 43.65, Salver—Oct. 1891.0 (1851.0), Nov. 1810.0 (1570.0), Dec. 1829.0, Fab. 1897.5, Oct. 1707.4, Dec. 1717.2, Feb. 1727.1, April 1737.2, Juna 1747.5, Aug. 1758.0, Oct. 1758.7, Dec. 1779.8, Aug. 1825.2 numburs of OPEC intentions to move to a beaker of currenticia and reports of a \$12 to \$13 increase in the spot prices of order oil cateputed silver to first up closes and gold to near-limit advances white ocusing weakness of the dollar. Copper size closed limit up despite producer selling. General purple sevenology affected all markets

188.50.

Potatose (round whites)—Nov. 84.7
(22.5). March 77.8 (73.4), April 85.9, May 104.8. Saies: 1,040.

Silver—Oct. 1638.0-1655.0 (1570.0), Nov. 1630.0 (1590.0), Jan. 1652.0. March 187.20. Mer. 1638.0, Jan. 1652.0. March 1887.0. Mey 1898.0, July 1709.0, Sept. 1720.0. Dec. 1735.0, Jan. 1742.2. March 1752.7, May 1753.2, July 1773.7, Sapt. ml. Handy and Harman bullion sport 1668.00 (1555.00).

Tin—770.00-818.00 asked (761.00—1716.00) March 27.00-26.95, Sapt. 26.95, Sapt. 1773.0, July 568.20. Oct. 573.20, Jan. 1773.0, April May. 1783.2, July 4581-459, Sapt. 487, Dec. 477.00—179.00, July 568.20. Oct. 573.20, Jan. 179.00, July 568.20, O

### EUROPEAN MARKETS

ROTTERDAM, Sept. 27. unquoted. Argentine unquoted.
Soyamesi—44 per cent protein U.S. afloat \$236, Oct. \$238-241.35, Nov. \$244-245, Nov.-March \$248-249, April-Sept. \$254 traded, afloat \$236, Oct. \$242, Nov. \$246, Nov.-March \$249, April-Sept. \$255 stellers, Brazil Pellets afloat \$244-246, Sept. \$244-245, Oct. \$249, Nov. \$249,50-250, April-Sept. \$259 traded, afloat \$244-245, Oct. \$249, Nov. \$249,50-250, April-Sept. \$259 traded, afloat \$246, Oct. \$250, Nov. \$257, April-Sept. \$255.50 sellers.

PARIS, Sept. \$7. April-Sept. \$27. Cocoe (FFr per 100 kilos)—Sept. \$270. \$289, Nov. \$257, April-Sept. \$270. \$289, Nov. \$259, May 1370-1385, July 1380, Sept. \$280, Sales at call 4, Sugar (FFr per 100 kilos)—Nov. \$180. \$190, Dec. \$170-1185, March \$125-120, May \$1249-1251, July \$1260-1280, Aug. \$175-1300, Oct. \$1300-1320, Nov. \$135-1330, Seles at cell 6. Whest-U.S. No. 2 Dark Hard Winter, 13.5 per cent, Oct. \$206, Nov. \$207, Dec. \$208, Jan. \$210, Fab. \$212, March \$214, U.S. Herd Winter Ordinary unquoted. U.S. No. 2 Red Winter Sept. \$192, Oct. \$192, Nov. \$195, Dec. \$200. U.S. No. 2 Northern Spring, 14 per cent, Sept. \$202, Oct. \$202, Nov. \$202.50, Dec. \$213.50, Jan. \$218.50, Fab. \$220.50, March \$222.50, March \$220.50, March \$222.50, March \$220.50, March \$220.

April 52M.

Malze—U.S. No. 3 Corn Yellow Jan.

Merch 5149.50 traded, afficet \$141.50,

Sept. \$142, Oct. \$141, Nov. \$142, Dec.

\$145, Jan.-March \$150, April June \$151

INDICES FINANCIAL TIMES Sept. 25; Sep. 25 M nth ago Year ago 301.20 298.86 289.11 253.51

Average 1924-25-26-100) MOODY'S REUTERS Sept 17 Sept 26 M'nth ago Year ago Sept. 28 Sept. 25 Minth ago Year ago 1157.6 1149.5 1101.9 956.9 1659.5 :1688.0 1563.5 | 1494.8

£6.00-£7.00, codlings £3.60-£4.40. Large haddock £4.00-£4.40, medium £3.70-£4.20, small £3.00-£3.00. Medium plaina £5.70-£7.00, best small £5.00-5.80. Skinned doyfish (large) £10.00, (med.) £2.00. Lamon soles (large) £5.00, med.) £3.00. Reds £2.60-£3.00. Saithe £3.50-£3.20.

DOM TOWER

HIDES—Manchester: Firmer undertone continues. Second clear 0x 31-35.5 kilos, 67.0p a kilo; (67.0p a kilo); 28-30.5, 70.3 (69.5); 22-25.5, 77.0 (75.0). Light cows 76.0p (74.0p wrth-drawn).

GRIMSBY FISH—Supply moderate, demand good, Prices at ship's side (unprocessed) par stone: Shell cod

# Emphasis on Gold shares as all main sectors progress Sizeable demand for Gilts activates both tap stocks

Oct. 8 Oct. 18 Oct. 19 Oct. 29 encouraged a general demand, and any selling of consequence place from 9.30 am two business days

The emphasis in stock markets yesterday was firmly on Mining issues and, in particular, on South African Golds which were buoyant and up to 21 maintenance was easily absorbed.

ICI were especially firm again with a rise of 6 to 367p. Vickers gave ground on half-yearly profits which proved to be a shade disappointing, but Dunion buoyant and up to 3½ points bardened the turn after the higher in the case of heavy group's first-half statement. A weight stocks on the back of lengthy list of company trading another upsurge in bullion. At weight stocks on the back of lengthy list of company trating another upsurge in bullion. At announcements kept interest at the same time, sizeable funds a good level, while speculation were again invested in Gilt- in potential bid and situation edged securities following the stocks showed no sign of abating. exhaustion on Wednesday of the

short tap stock. The Government broker was able to operate for the first time both the medium and long tap stocks at prices & above their respective issue levels; he later withdrew from selling supplies of the longer issue, the £30-paid Exchequer 12 per cent "A" 1999-2002, at 30k and was not extend its rise over the same tested at a higher level. Busiperiod to 0.65. the medium £40-paid Treasury 111 per cent 1989 was

Ex'rc'se Glosing price offer Vol.

ACCOUNT DEALING DATES
Option

The property of the fifth successive of 36 per cent and a close of 35 per cent and a close of 36 per cent for a net loss of 37 per cent for a net loss of 38 per cent for a net loss of 39 per cent for a net loss of 49 per cent for a net loss of 49

Of the FT indices, the Gold Mines index staged an extra-ordinary leap of 20.6 to its highest level since November, 1975 of 247.1; the 30-share measurement rose 3.1 to 473.0 for a gain of nearly 15 points in the past five trading sessions, while the Government Securities index improved 0.03 to 72.66 to period to 0.65.

The stronger pound brought lower rates for investment currency with the premium down to 342 per cent before a

156p

LONDON TRADED OPTIONS

conversion factor was 0.8673

The record builton price and continuing strength of copper stimulated interest in mining issues in the Traded options market. A total of 702 contracts were completed, with Cons. Gold Fields and RTZ recording 240

### Alex. Howden pleases

In complete contrast to other dull Lloyds Brokers which lost ground following sterling's renewed relative strength, Alexander Howden rose 6 to 93p in response to the better-than-expected first-half earnings and 40 ner cent increase in the expected first-half earnings and 40 per cent increase in the interim dividend. C. T. Bowring lost 5 to 118p, after 116p, following the reduced interim profits, while Christopher Moran declined 4 to 36p and Minet, 128p, and Willis Faber, 227p, chaspend 3 arises. Reprintled. cheapened 3 spiece. Brentall Beard softened 2 to 16p. Else-where, Hambro Life gave up 4 to 135p, after 131p, following the

interim statement but Sun Alliance moved up 9 to 549p and Phoentx added 4 to 250p. F. C. Finance became a prominent dull feature in the banking sector, falling to 58p and closing 5 off at 63p in reaction to more than halved interim profits. London Scottish Finance, at 63p, lost 21 of the previous day's Press-inspired rise of 4½.

The major clearing banks attracted a reasonable demand and Barclays closed 7 higher at

Brewerles encountered better business than of late and the leaders generally firmed a penny or two. Regional issues made useful headway, albeit in narrow markets; Higsons, 78p, Wolverhampton and Dudley, 800p, and Marstons, 110p, all rose around 3. Elsewhere, Macallan-Glenlivet improved 20 to 510p on the annual results, while interest was seen in Highland, 5 up at 110p. Distillers, 1 harder at 234p, tended to lag as the dispute at its distilleries con-tinues. Speculative demand was

again shown for Sandeman which put on 5 to 83p.

Interim profits well below expectations caused duliness in Geo. Wimpey which fell to 75ip before closing 3 lower on the day at 78p. Reduced half-yearly profits also influenced a fail of a penny to 98p in Aberdeen Con-struction, but Galilford Brindley responded to satisfactory pre-liminary figures with a rise of

1979 peak of 505p, while fresh scattered demand left Manders 3 higher at 175p.

A reasonably brisk trade developed in ICI which pushed ahead further to close 6 up at 367p.

Elembers in Chamierls Fisons in APV

Elsewhere in Chemicals, Fisons firmed 5 to 250p, while revived demand lifted Carless Capel 4

### Stores good

Hopes that next month's income tax rebates will lead to a substantial increase in con-sumer spending helped bnoy sentiment in leading Stores but stock shortage was the major influence behind yesterday's good gains. Gussles "A" stood out with a rise of 12 to 406p,

support in a thin market left Jones and Shipman up 13 at 180p, but lower interim profits caused a reaction of 7 to 186p in APV Heldings. Occasional demand lifted Babcock 4 to 125p and Matthew Hall a similar amount to 181p, while H. J. Baldwin took a distinct turn for the better at 21p, up 5, on further consideration of the preliminary figures. On the other hand, Expanded Metal, 3 off at 64p, and Weir Group, 2 cheaper at 71p, both closed at new lows

Owing to technical problems it was not possible to Calculate yesterday's Actuaries indices in time for and International Thomson spurted 23 to 358p on North Sea this edition.

while British Home put on 5 to while British Home put on 5 to 251p and Mothercare improved 5 to 176p. Additionally helped by a combination of bid and enfranchisement hopes, Burton "A" advanced 6 afresh to 286p; the Ordinary rose 8 further to 315p and the Warrants 5 more to 121p. Elsewhere, renewed investment support lifted Harris investment support lifted Harris Queensway 12 to a 1979 peak of 300p, while Executer Clothes rose 4 to 37p on buying in front

of today's interim results. Home Charm advanced 6 more to 148p and Bambers added 5 to 125p. while Waring and Gillow improved 4 to 140p following the chairman's encouraging state-ment. By way of contrast, profittaking caused Wharf Mill at 52p, to lose 8 of the previous day's jump of 34 which followed news that Mr. Stephen Boler had acquired 64 per cent of the equity at 27p per share.

GEC were a reasonably lively market and edged up to close 4 dearer at 386p, but other leading Electricals closed with little alteration. Among secondary ignes, demand persisted for Automated Security which advanced 7 more to 227p, while fresh buying interest was shown in Pifco issues, the ordinary and rising 3 and 5 respectively to the common price of 100p. Unitech rose 6 further to 326p and United Scientific firmed a similar amount to 342p. Arien rose 5 to 93p; the price given in vesterday's issue was incorrect. Disappointment with the half-

yearly figures prompted duliness in Vickers which eased to 150p

either way, William Morrison put on 2 to 165p in response to the increased interim profits. Hotels continued quie Hotels continued quietly, although buyers came in for Ladbroke which rose 7 to 185p, and renewed speculative atten-tion was directed towards Hydro Hotel Eastbourne; up 20 in a thin market at 250p.

### Glazo firm

Miscellaneous leaders continued quietly firm. Glaxo were notable for a rise of 10 to 480p; the preliminary results are due on October 8. Still reflecting North Sea oil interests, LC. Gas rose 17 to 555p. Buying ahead of annual figures, due on October 17, helped Kalamazoo rise 5 to 63p, while Stag Furniture rose 6 to 202p following increased interimearnings. Eastern Produce, with half-yearly figures due next month, advanced 6 to 91p and BTR found fresh support at 340p, up 13. Demand in a thin market lifted Photo-Me International 10 to 360p. eaders continued quietly firm. national 10 to 360p. Secial situations attracted'

attention among Motor Distributors. Wadham Stringer eased a fraction to 35p following interim profits in line with expectations, while Appleyard gave up 3 to 71p on the discouraging tone of the company's interim statement. The bid approach continued to the later Profits of the continued to the attention hid approach continued to bolster Dutton-Forshaw, 2 up at 65p, whole CGSO jumped 4 to app on rumours of a bid. In Components, Duniop produced first-balf profits only

slightly below estimates and closed a penny to the good at Rwik-Fit, 5 better at 62 p. Recent speculative high-flyer Associated Book Publishers disappointed with the interimi profits setback and closed 37 down at 268p. PBC also reported disappointing first-half figures and closed 21 off at 34p, after 32p, while the surprise £0.3m rights issue accompanying the mid-term statement unsettled Wace, 7 down at 58p. Further consideration of the excellent interim results left United 8 better at 413p, while Ferry Pickering added another 3 in response to annual results capital proposals. Marshall Cavendish, on the other hand, continued weak following pubfor the year.
Foods finished with a mixed appearance, changes being re-stricted to a couple of pence licity given to Wednesday's in-terim dividend cut and lost 4 to

> leading Newspapers, Associated advanced 7 to 247p and International Thomson oil optimism Recently involved in abortive bid discussions with Rothschild investment Trust Corn Exchange sprang to life again in Properties on hopes of further developments and closed 18 better at 300s

record a two-day fall of 9 at 23p.

### better at 302p. BP higher

Profit-taking was again evident in Oils, but the underlying tone remained firm. British Petroleum, up 10 at 1290p, were helped by news that the company Industrial may be allowed an involvemen in Nigeria. A little late support helped lift Shell 6 to 362p, while Clyde stood out in the more speculative issues with a rise of 22 to 274p, after 278p, Ultramar gained 10 to 344p, but Siebens (UK) reacted 9 to 274p. Reduced first-half profits from Tootal were much as expe

and the shares added 11 to 35p following the company's indications on dividend policy. Elsewhere in Textiles, Illingworth Morris A firmed a penny to 18p after the stormy annual meet-

### Golds soar

South African Golds registered some of their biggest ever one day rises yesterday as the buildon price continued its unward spiral to close \$18.50 higher at a record closing level of \$395.50, after touching a peak \$397 during the afternoon fixing.

The Gold Mines index soared \$20.5 to \$247 Leates best level since 20.6 to 247.1-tts best level since November 14, 1975, while the expremium index climbed 17.0 to 214.3—the highest for that index since August, 1975.

Demand for Golds was heavy

FINANCIAL TIMES STOCK INDICES 72.88 72.74 78.68 72.65 72.70 72.58 71.80 Fixed Interest 469.9 469.8 462.0 458.1 501.2 473.0 247.1 226.5 224.6 216.4 210.1 211.3 170.1 214.3 197.5 197.1 193.0 190.0 191.5 119.9 Gold Mines(Ex-\$ pm 6.81 6.87 6.89 7.01 7.05 Ord. Div. Yield ...... 17.46 17.61 17.67 17.98 18.32 Earnings, Yld. % (full) 18.44 16.16 7.00 6.95 6.92 6.80 6.71 5.64 P/E Ratio (net) (\*). 18,255 101.30 92.12 56.15 85.07 88.94 98,44 Equity turnover £m - 13,519 12,601 10,959 14,619 12,187 16,736 Equity bargains total 10 am 469.8. 11 am 470.3. Noon 472.4. 1 pm 472.8, 2 pm 473.0. 3 pm 472.8. Latest index 01-246 8026. \*Nilm0.76. HIGHS AND LOWS S.E. ACTIVITY High | Low 180.0 126.5 61.7 91.3 150.4 (28/11/47) 66,03 (18/2) 60,63 558.6 49.4 (4/4/17) (23/4/40) 446.1 448.5 48.5 (22/5/76) (26/18/71) 247,1 (27/8) 129.9

### ACTIVE STOCKS

		nomina-	of	Closing	Change	1979	1979	
· Sto	rek	tion n	urks	price (p)	on day	high	low	
TCI		£1	11	. 367	+ 6	415	314	
RTZ		25p	11	324	+ 9	362	226	
BP		£1	8	1,290		1,295	882	
Dutton -	Forsbaw	25p	8	65	+ 2	65	39	
Beecham		25p	7	149	+ 2 -	189	130	
Charter	Cors	25p	7	165	+4.	175	122	
Cons. Go	ld Fields	25p	7	260	+12	263	178	
Downiehr	Tae	10p	7	40	+ 1	- 40	. 31	
GEC		25p	7	386	+4	456	311	
GUS "A"	1	25p	7	406	+12	448	288	
Norsk H	ydro 🦾	NKr80	7	£633	+ +	£634	£25	
Shell Tra	nsport	25p	7	362	+ 6	402	278	
Hepworth	Ceramic	-				٠٠.		
	" New"	N11/pd	L 6	6 pn	1 - 1	7+p	n: 41pm	ė
Howden	(A.)	10p	6	93	+ 6	. 137	79	
Marks &	Spencer	28p	6	106	+ 1	134	88	

all day with buying coming from Mining, 653p and De Bears, 480p. Johannesburg, the Continent, London and the U.S. The pressure was at its highest in the late profit-taking took prices a frac-tion off the day's best.

Reavyweights were left show-ing gains of up to £3\(\frac{1}{2}\) with West Driefontein that amount firmer prietoniem that abount armer at £31½, while Western Holdings registered a £3½ rise at £23½ and Western Deep put on £1½ at £12½. Gains of between a point a £1½ were common to Winkelhak, £11, Buffels, £12½, Kloof, £10½, President Steyn, £13 and St. Helena, £12½.

buoyed by surging base-metal prices. Rio Tinto-Zinc rose 9 more to 324p—a three-day gain of 30—while Selection Trust put on 16 to 566p. The becoming gold price prompted a 12 improvement in Gold Fields at 260p. Record platinum prices saw Platinums move ahead strongly with Rustenburg finally 16 firmer at 180p and Impala 10 better at

Australians : rose strongly across a broad front with gold and base-metal producers leading the market higher. Gold Mines of Kalgoorile jumped 14 to 140p, over into South African Financials where gains of between 14 and 23 were seen in Anglo American, 476p, General formula in the market higher. Gold Mines of Kalgoorile jumped 14 to 140p, over into South African Poseidon 10 to \$2p and Bougain-ville and North Broken Hill 6 apiece to 154p and 147p respectively.

35 17

### RESULTS FOR SIX MONTHS **ENDED 30TH JUNE 1979**

1028

42

27 27 52

- 1. A summary of the unaudited consolidated results for the six months ended 30th June 1979 shows a profit before transion of £6.393m (1978 £5.157m).
- All main activities, with the exception of Roneo Vickers and the Australian Engineering Group, achieved higher profits than in the corresponding period last year, although the strength of sterling, coupled with keen competition, has eroded margins on U.K. exports.
- 3. Performance in the second half of the year is being impaired by the present series of two day strikes in the U.K. engineering industry, which, if not quickly ended, will have serious repercussions this year, and into 1980, for profits and employment.
- 4. In my statement, which accompanied the 1978 Report and Accounts, I called for a speedy settlement of the compensation issue, and the opportunity to redeploy the funds. Regrettably, in the case of shipbuilding our stockholders' representative has now reached deadlock in his negotiations with the Government and accordingly your Board has accepted his recommendation to refer this matter to arbitration as provided for in The Aircraft and Shipbuilding Industries Act 1977. Negotiations are continuing in relation to the 50% share of British Aircraft Corporation (Holdings) Limited but I am not yet able to report any satisfactory progress. No further payments on account have been received during 1979 and consequently the continuing activities are still carrying the burden of substantial interest charges which are untelated to these
- 5. At their meeting today the Directors decided to declare an interim dividend of 3.85p (1978 3.85p) per £1 ordinary stock equivalent, with associated tax credit, to 5.50p gross (1978 5.7463p gross). The dividend, which will cost £1.684m net, will be paid on 4th January 1980 to stockholders on the Revister at 21st November 1979.

27th September 1979

Vickers Limited Unaudited half-year's results	Half-Yea 30th	Year Ended 31st Dec	
	1979	1978	1978
	£,000	£7000	£'000
Sales	184,488	191,433	391,355
Consolidated trading profit	12,538	10,055	19,729
Investment income	66	313	369
	12,604	10,368	20,098
Interest payable less receivable	6,244	5,208	8,491
Consolidated profit before taxation	6,360	5,160	11,607
Share of profits of associated companies	33	(3)	94
Profit before taxation	6,393	5,157	11,701
Taxation	2,200	2,100	4,272
Profit after taxation	4,193	3,057	7,429
Minority shareholders' interest	76	441	1,116
Stockholders' profit before extraordinary items	4,117	2,616	6,313
Preference dividends	198	193	385
Ordinary stockholders' profit before extra- ordinary items	3,919	2,423	5,928
Earnings per £1 of ordinary stock before extra- ordinary items	9.0p	<i>5.5</i> p	13.6р

Vickers Limited, Vickers House, Millbank, London SW IP 4RA

Til garant der er

### **NEW HIGHS AND LOWS FOR 1979**

NEW HIGES (112)

AMERICANS (1)

BANKS (1)

BEERS (1)

BUILDINGS (7)

Dawes (G. R.) ELECTRICALS (2)
Ward A Gol
ENGINEERING (7)
Hunt & Mor ISTRIALS (4) PAPER (1) (I) SIIO

### OPTIONS vale, while doubles were co-pleted in Marshall Cavendis

DEALING DATES Last Deal- Declara- Settleings lings tion ment Sep. 17 Sep. 28 Dec. 20 Jan. 7 Oct. 1 Oct. 12 Jan. 16 Jan. 21 Oct. 15 Oct. 26 Jan. 24 Feb. 24 For rate indications see end of Share Information Service Stocks dealt in for the call included Debenhams, Lourho, Premier Oil, Racal, Poseidon,

RISES AND FALLS YESTERDAY 173 48 . 9 Ladbroke, Marshall Cavendish Dutton-Forshaw S. Leboff. Geevor Tin, Stocklake, Comet Radiovision and Mining Supplies. A put was done in Marie-

### RECENT ISSUES

ssue Price pt	Amount Pald Up	Latest Renuno, Date	18 High	Low	, Stock	Ologing Pride	+ or	DIV. P. Or Amount	Oovered Stand	P.E.
160 160	F.P. F.P. F.P.		90 95 193 39 202	821 <sub>2</sub> 182 30	Barlow Hidgs	84 90 185 87 198	-1 5	10.72	1.1 4.4 2.3 8.3 1.5 6.9	7.6
	FIXED INTEREST STOCKS									

Prios to	Am unt Pald up	Catest Renuno Date	19 High	79 Low	štook	Olosing Price &	+5				
791 77 77 77 77 77 100p	F.P. F.P. F.P. F.P.	=	102 1024 754 901 99	101p 1014 9834 6942 86 98	Lonrho 9% and Mort. Deb. 87/92 Do. 12% 2nd Mort. Deb. 85-90 Do. 12% 2nd Mort. Deb. 80-84 Scot. Agricultural Sec. 13% Deb. 97-99	10154 10854 6852 90	+14				
	"RIGHTS" OFFERS										

isave Price pi	Am'unt Paid up		unc.	197		Stock	Closing prices	+ or
110 AS2 20 AS4.50 125 93 5M1.50 30 115 40 AS5 145 10	F.P. Nil F.P. Nil F.P.	28/9 28/9 21/9 21/10 — 14/9 28/9 — 13/8	19/10/ 19/10/ 19/10/ 12/10/ 16/11/ 	130 64pm 32 315pm 151 71gpm 20 43pm 147 50 201pm 182pm 834	120 57pm 28 285pm 148 41 <sub>2</sub> pm 151 <sub>2</sub> 38pm 1201 <sub>2</sub> 48 188pm 76pm	Benk Leumi Bank of New South Wales Benlox BH Proprietary. Estates Property Inv. Hepworth Ceramics ttkulim Lennona. Macarthys Pharm.	120 57pm 29 306pm 151 612pm 20 42pm 145 4612 201pm 98pm 224	-1 -10 +1 +12 +2
*Re	munc	istion	date u	aually !	ast day	y for dealing free of stamp duty.	. <i>b_</i> Fis	gutêş

unclotton date usually sent as a sumed dividend and yield, u di cover based on previous year's carnings. F Dividend and yi pectus or other official estimates for 1979. Q Gross: T Figures ellows for conversion of shares not now ranking for dividend restricted dividends. § Placing price to public. pt Pence unless ed. I issued by render. § Offered to holders of ordinary station with reorganisation, merger or takeover. §§ introduction. ☐ preference holders. ■ Allotment letters (or fully-paid). © Proference holders. ■ Allotment letters (or fully-paid). © French and the security.

### FT-ACTUARIES SHARE INDICES

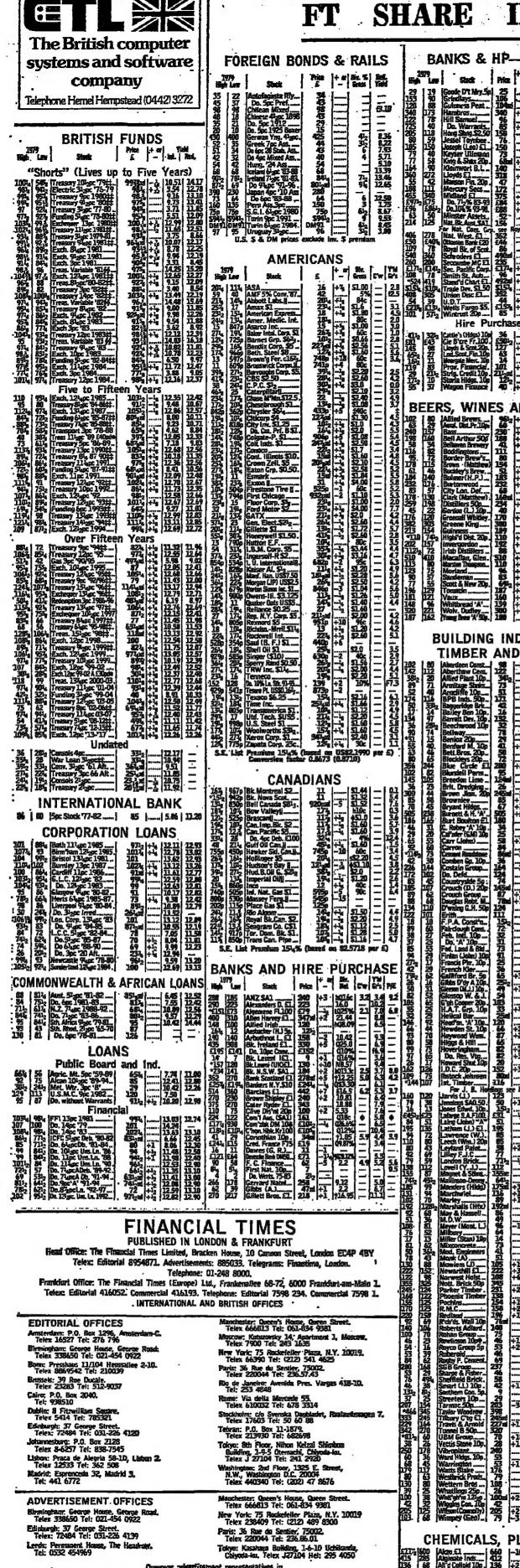
These indices are the joint compilation of the Financial Times, the institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS	W	ed., S	ept. 2	26, 19	79	Tues., Sept. 25	Mon., Sept. 24	FH., Sapt. 21	Thur., Sept. 20	Year ago (approx.
Figs	& SUB-SECTIONS res to parentheses show number of stocks per section	Index- No.	Day's Claringe	Est. Ezmings Yieki % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Index No.	index No.	Index Ka	lader No.	index No.
1	CAPITAL 6000S (172)	241.04	+0.5	17.83	5.99	7.19	239.95	237.15		237.93	247.49
2	Building Materials (27)	235.92	+0.6	17.13	5.84	7.57	234,40	231.87	230.63	239.03	215.40
3	Contracting, Construction (28)	385.68	+0.2	24.39	5.91	5.10	384.%	380.68	378.76	378.51	408.54
4	Electricals (0.5)	622.24	+0.7	13.07	3.73	10.24	617.63	508.80	605.49 321 32	605.50 325.83	555.73
5	Engineering Contractors (12)	326.29	+0.5	21.95 20.74	7.41	5.68 6.13	324.63 161.73	317.94 160.13	168.21	16133	378.04 195.96
B	Mechanical Engineering (74)	161.72 157.46	+0.4	19.31	9.52	6.63	154.77	15.0		156.20	176.09
9	CONSUMER GOODS	121.40	TWF	17.31	332	6,0	13470	777.00	1.720.00	150.00	11007
Ľ	(DURABLE) (52)	240.18	+0.5	15.32	4.82	8.19	238.91	234.00	231.90	230.31	215.86
	Lt. Electronics, Radio, TV (16)	346.89	+0.7	11.70	357	11.83	344.36	35.77	332.40	33131	264.86
ı	Household Goods (13)	142.65	+0.5	20.94	7.65	5.90	141.99	141.23	141.23	142 17	184.89
	· Motors and Distributors (23)	110.76	703	23.95	7.61	5.06	310.76	109.41	108.64	208.23	129.34
	CONSUMER GOODS					2.00	-				
. 1	(NON-DURABLE) (171)	238.45	+0.4	16.58	5.99	· 7.50	237.50	234.60	232.95	232.42	216.44
ı	Breweries (14)	289.39	+0.5	15.69	5.29	7.68	287.98	283.93	783.23	285.10	228.72
1	Wines and Spirits (6)	329.33	-0.2	16.67	5.46	7.46	330.00	324.32	322.91	323.17	281.38
	Entertainment, Catering (17)	319.55	+0.4	15.53	6.37	8.40	318.24	311.38	397.80	306.31	267.41
١	Food Manufacturing (19)	212.18	+1.1	18.72	6.44	6.63	209.89	207.17	206.47	205.82	214.48
ı	Food Retalling (15)	311,73	+1.6	13.05	4.11	9.23	306.77	383.20	-302_46	300.99	230.87
1	Newspapers, Publishing (12)	417.05	-12	22.76	6.98	· 6.07	421_91	421.22	419.23	418.30	393.65
Į	Packaging and Paper (15)	131.98	+0.7	22.37	8.49	5.76	133.04	129.95	130.36	331.0s	146.57
l	Packaging and Paper (15) Stores (41) TextRes(23)	237.25	+0.2	12.51	4.40	38.46	236.71	233,46	231.22	229.58	203.60
	TextRes(23)	152.31	-	24.18	10.20	5.24	152.30 ·	151.17	157.35	151.62	185.47
i	Tobaccos (3)	241.89	-0.6	23.57	9.19	4.79	243.38	237.35	239.30	240,80	244.89
Ì	Toys and Games (6)	68.81	-0.5	25.12	9.79	5.06	69.17	68.27	68.22	67.77	178,76
I	OTHER GROUPS (99)	207.99	+0.6	15.34	619	8.00	206.75	202,72	202.61	202,77	213.21
ı	Chemicals (18) Pharmaceutical Products (7)	291.81	+0.2	17.34	6.68	6.73	291.32	. 284,43	243.63	284.38	297.51
í		123.16	+0.1		4.95	20.65	233.38	228,63	227.94	227.50	283.85
i	Office Equipment (6)	453.48	+0.6	16.21	6,82 6.95	7.79 10.91	122.38 444.28	118,91 436,26	11853	118.13	138.11
J	Miscellaneous (58)	244.90	+18	25.94	6.14	8.01	242.50	239.14	451.50 238.45	450.89 238.82	451.49
4	INDUSTRIAL SROUP(494)	239.25	÷0.5	16.50	5.95	758	238.13	234,44		233,44	227.51
4	Oils(6)	682.81	+16	16.57	7.09	649	672.16		233.63		230.52
4			+0.7	16.51				659.29	656.73	627.49	505.10
ļ		274.94 196.18		1021	6.16	735	2/3.11	268.69	267.75	265.A2	253.64
ŧ	Sanks(6)	227.38	+0.7 +0.9	36.36	5.41 5.63	7.53	194.90 225.45	222.85		155.00	16.12
ł	Discount Houses (10)	251.26	+4.7	30.30	7.31	351	251.26	250,13	221.31	223,09 252,60	181.88 204.35
	Hire Purchase (5)	初五	+1.7	18.61	4.90	6.89	174.79	171.74	171.74	170.75	157.11
l	Insurance (Life) (10)	163.82	+0.7	40.01	6.21	0.07	162.71	161.39	161.16	160.68	136.68
i	Interance (Composite) (SI)	129.95	+0.1		7.29		129.88	127.97	126.44	125.63	124.18
ı	Insurance Brokers (10)	282.37		17.73	6.49	8,07	282.45	276.63	276.58	27131	342.73
į	Merchant Banks (14)	100.96	-8.2	-	5.57		101.19	100.95		181.19	83.67
Į	Property(43)	365.66	+10	3.32	2.59	43.95	362.05	358.37	357.26	360.47	259.02
۱	Miscellaneous.(10)	123,45	+1.6	15.07	7.26	8.50	121.48	120 12	321.37	123.24	109.73
1	Investment Trusts(110)	217.48	+0.4		5.26		216.56	25.29	214.94	213.67	229.86
l	Mining Fluance (4)	136,43	+3.1	16.31	5:70	7.44	132.35	129.63	128.16	127.58	109.69
ļ	Overseas Traders (20)	345,80	+0.6	15.16	7.43	8.06	343,79	348.42	343.66	343.37	327.28
1	ALL-SHARE INDEX(750)	252,97	+0.7	_	6.00				245.62		711.20
-									-	-	
	SIVER INTEREST ACTION			{	FI)	CED (NT TVELI		- 1	Wed.	Tues_	Year
	FIXED INTEREST PRICE	23 بالاس		1	British		Gross Re	, 1	Sept.	Sept.	, ago
				1	PH ITEM	work Pili	an east less		49	6	(approx_)

FIXED WITEREST PRICE INDICES							TUE	NTEREST LIPS Av. Gross Red.	Wed., Sept. 25	Tues. Sept. 25	Year ago (appros.)
	British Government	Wed., Sept. 26	Day's change %	zd adj. today	xd adj 1979 to date	123	Low Company	5 years	10.11 10.65 11.20	18.12 10.70 11.29	9.05 10.95 11.82
1 2	Under 5 years	105.11 117.21	~0.03 +0.57		6.98 2.01	4 5 6	Medium Couposs	5 years	12.20 12.28 12.36	12.18 12.34 12.56	12.01 12.19 12.19
3 4	Over 15 years	123.16 134.35	+0.66 +0.41	_ _	9.85 9.82	7 8 9	High Coupas	5 years	12.58	12.68 12.82 12.72	11.99 12.76 12.92
5_	All stocks	114.44	+0.38		8.26	10	Irredeemables.		11.03	11.87	11.67

		Thur., Sept. 27		Wed. Sept. 25	Tues. Sept. 25	Mon. Sapt. 24	Fri. Sept. 21	Thurs. Sept. 20	Wed- Sept. 19	Tues. Sept. 18	Year ago (approx)
16	20-yr. Red. Deb & Loans (15) Investment Trust Prefs. (15) Coml. and Indl. Prefs. (20)	50.57	15,26	50.57	50.57	50.57	60.67	51.25	51 93	E1 92	67 27

tion yield. Highs and lows record base dates and values and constituent ch les. A list of the constituents is available from the Publishers, the Financial t, Lendon, ECAP 4BY, price 14p, by post 22p.



Telex 23283 Tel: 512-9037
Cairo; P.O. Box 2040.
Tel: 938510
Dublin: 8 Fitzwilliam Square,
Telex 5414 Tel: 785321
Edinburgh: 37 George Street.
Telex: 72484 Tel: 031-226 4120
Johannesburg: P.O. Box 2128
Telex 8-6257 Tel: 838-7545
Lishon: Praca de Alegria 58-10, Lishon 2.
Telex 12533 Tel: 362 508
Madrid: Esprenceda 32, Madrid 3,
Tel: 441 6772

ADVERTISEMENT OFFICES Birmingham: George House, George Road, Telex 338650 Tel: 021-454 0922

Telex 330000 fer 021034 0922 Edinburgh: 37 George Street. Telex: 72484 fel: 031-226 4129 Leeds: Permanent House, The Headrow. Tel: 0532 454969

SUBSCRIPTIONS

BUILDING INDUSTRY, F.P.A. Const. L.

Pairclough Const. T.

Pairclough Const. T.

Pairclough Const. T.

Peb. Ind. 10p. Do. 'A' 10p. Both Congress of the Western No. 10p. Do. Res. 'Vip. Do CHEMICALS, PLASTICS

[600 Alco.Cl. 660 -100 - 13 4.9 019

582 Ali of Celloid IDp. 560 Acon Chem. 77 4.64 1.7 8.46(8.9)

600 Arrow Chemicals. 72 4.20 2.3 4.815.6

601 Arrow Chemicals. 72 4.20 2.3 4.815.6

602 Arrow Chemicals. 72 4.20 2.3 4.815.6

6038- Bayer As. D.M. 50. 534.2 - 3 08.75.9 6 6.7 6

115 Brent Chemicals. 12 13.97 3.9 22.16.8

126 Br. Ter Pol. 10p. 57 +2 13.97 3.9 22.16.8

127 32, Brt. Bernol IDp. 58 12.0 44 7.5 3.5

43 Brt. Ter Pol. 10p. 58 12.0 2.4

43 St. Ter Pol. 10p. 58 12.0 2.4

43 Scatalin. 59 1.5 1.5 2.0

25 Carless Capel IDp. 57 4 1.00 4.7 5.1 5.5

26 Capitte Group. 68 1.07 4.7 5.1 5.3

73 Contex Bres. 74 26 4.2 5.0 6.4

68 Da. 'A' NV. 68 2.6 4.2 5.0 6.4

68 Da. 'A' NV. 68 2.6 4.2 5.0 6.4

68 Da. 'A' NV. 68 2.6 4.2 5.0 6.4

SHARE INFORMATION CHEMICALS, PLASTICS-Cont. **ENGINEERING—Continued** DRAPERY AND STORES | Section | Color | Co 

HOTELS AND CATERERS al. H. Prop. SA2
Recott St. St. Joh
Brooks West. Zop
Brooks Zop
Cambras St. Zop
Danalos
Cambras St. Zop
Cambras St. Zop
Cambras St. Zop
Danalos
Cambras St. Zop
Camb

FOOD, GROCERIES, ETC.

かかいいいる

Manchester: Queen's House, Queen Street.
Telex 666813 Tel: 061-834 9381
New York: 75 Rockefeller Plaza, N.Y. 10019
Telex 238409 Tel: (212) 489 8300
Paris: 36 Rue do Sentier, 75002.
Telex 220044 Tel: 236.06.01
Tokyo: Kasahaya Buliding, 1-6-10 Uchikanda,
Chiyoda-ku, Yelex J27104 Hel: 295 4050

Overseas advertisement representatives in

Central and South America, Africa, the Middle East, Asia and the Far East.

For further details, please contact:

Overseas Advertisement Department,

Financial Times. Branken Union William Programment,

For Share Index and Business News Summary in London, Birmingham, Liverpool and Manchester, Tel: 246 8026

# FINANCIALTIMES

Friday September 28 1979



# Sealink fare cut may lead to price war

counterpart, SNCF, joint operators of Sealink ferries, are to
reduce fares on cross-Cannel
services. The move is expected
to lead to a fares war among
to lead to a fares war among
to lead to a fares war among
to the first round of price cuts, ferry operators on the busiest stretch of the English Channel

already fierce.

Ferries, operating between same cut will be made on the Dover and Boulogne, British Rail Seasped hovercraft between Dover and Calais, and Bolougne and European Ferries, which operates Townsend which operates Towosend marketing and fares policy, it Thoresen ferries betwee Dover was to break away from the

almost static; and hovercraft European Ferries, however, are threatening the operations claimed that it had taken the

BRITISH RAIL and its French share of the market. Six more

announced yesterday by Sealinks UK, the British Rail Competition on the short ferry company, which has a crossings from Dover and Folkestone to Calais and Boulogue is SNCF, Sealink ferries, will come on October 1.

A price war could involve Sealink UK plans to cut the Hoverlloyd, which operates £60.40 fare for a car and two hovercraft between Ramsgate adults on the Folkestone to and Calais, P and O Normandy Boulogne route by £10. The

as part of its more aggressive marketing and fares policy, it revenue pooling agreement with There is already over- European Ferrles, after discapacity on the routes; demand satisfaction with that comfor passenger and car fares is pany's marketing approach.

share of the car traffic on the short routes from last year's 34 per cent to at least 50 per cent by the end of next year.

Part of the plan is based on the assumption that more competitive fares will raise the number of cars using the ferries by a quarter. European Ferries has had an

agreement to pool sailings and revenue on the Dover-Calais revenue on the Dover-Calais route for 14 years, with 66 per cent going to British Rail or Sealink, and the balance to Eugopean Ferries.

The two operators were investigated by the Monopolies Commission in a report on arrest Channel forth Services in

cross-Channel ferry services in April 1974. The commission said: "The monopoly positions of BR and European Ferries do not operate against the public interest." Nevertheless, the commission said it would have wanted the pooling agreement to be ended, had it not been for the "international character

# of the agreement, which also involved SNCF." of the conventional ferry com- initiative by breaking with Sea-**GEC** questions national talks in engineers' dispute

BY HAZEL DUFFY AND ALAN PIKE

Federation admitted yesterday Shipbuilding and Engineering that GEC, one of its largest Union." GEC had, he said, no member companies, is question- intention of leaving the federaing the effectiveness of the tion. national negotiating procedure in the engineering industry that GEC is casting doubt on which has led to the present the future of national negotia-

yesterday that a memorandum thin. from Sir Arnold Weinstock, GEC's chief executive, has circulated within his company "raising for discussion the issue of whether for that company national negotiations are the most appropriate means in the long term for settling basic dispute. rates and conditions of employ-

federation's director - general, and spoke to Sir Arnold yesterday negotiation approach of the and said afterwards he had Confederation" must call into received assurances that GEC question its quality as a negoti-"I'my behind the its opposition to the present of continuing national negotiairresponsible tions.

U.S. producer of packaged foods including Maxwell House, Post Cereals and Birds

Custard, announced yesterday

that it had bought more than 95 per cent of HAG, the lead-ing West German coffee pro-ducer for \$100m (£50.26m).

the company with technical knowledge for its UK produc-

pany, Locatel, as to be investi-gated by the Monopolies Com-mission of the French Econo-

mics Ministry.
Thorn reached agreement

with Locatel's two major share-

BY JOHN LLOYD

tion. HAG's exports to the U.S. leaders.

BY DAYID LASCELLES IN NEW YORK

GENERAL FOODS, the giant last year were worth less than U.S. producer of packaged \$50,000.

At the same time, HAG said But General Foods already it had sold the U.S. end of its has a West German subsidiary, business which General Foods General Foods GmbH, with

did not want, to Cadbury annual sales of \$100m. It supply decaffeinated coffee to Cadbury Schweppes which General Foods and the U.S. General Foods GmbH, with annual sales of \$100m. It is interest in HAG centred mainly on the fact that it has a leading position in devaill supply decaffeinated coffee, a market coffee to Cadbury Schweppes which General Foods has yet to for distribution in the U.S. penetrate to any great extent market, as well as supplying in Europe. In the U.S. General Foods' decaffeinated brand.

holders, Eura France and Since Thorn's bid, it became Sofipa, for the purchase of a known that the French Government did not favour a foreign

shares—in the company in June. company controlling 80 per cent It paid FFr 450 per share, when of the French television rental

Thomson airline

THE Engineering Employers: claim from the Confederation of

Union leaders will see the fact tions as a sign that employers highly damaging dispute. tions as a sign that employers
The federation confirmed unity is wearing dangerously

> Mr. Roy Sanderson, a national official of the Electrical and Plumbing Trades Union, said that Sir Arnold had told union officials at a recent meeting he was considering early with-drawal from the EEF after the

Mr. Frodsham said yesterday he recognised that for many Mr. Anthony Frodsham, the members of the EEF the "rigid totally unconstructive EER. In SOUR SENCY and USEM the Asids

General Foods buys HAG

General Foods said it had

made the acquisition as part of

its strategy to build up its posi-tion in West Germany and Europe, and that it expected the

investment to provide a good

Foods' decaffeinated brand, Sanka, is one of the market

Thorn bid for Locatel blocked

THORN ELECTRICAL Industries' £26m bid for control of the French television rental company. Locatel, is to be investigation and last night that

Association said last night that trading in Locatel's shares, suspended since June 11 when

the bid was anonunced, would

Since Thorn's bid, it became

This plan, if approved by the would undercut existing fares Mr. Derek Davison, Britannia Civil Aviation Authority, would on the remaining routes.

long-term financial return.

Most employers in the EEF continue to back the firm stand being taken by the employers' organisation, although for most of them this is being done at considerable expense to their production and future order books.

In recognition of the harm that the dispute is causing the industry, and the likely strain that this will place on some companies' finances, the 🗈 yesterday had a meeting with more than 100 representatives from the clearing banks, instistockbrokers

The reasons for the dispute, and the two-tier bargaining wage bargaining system within the financial representatives,

Many of the bankers and present apparently the employers are showing in

HAG, based in Bremen, is a

privately-owned company with

reported sales in West Germany

Decaffeinated coffee is one of the growth areas of the U.S.

consumer coffee market mainly

due to more widespread concern about the health aspects of

There have been reported attempts to find a French buyer

pared to outbid the Thorn price.

1978 were £3.4m (FFr 30.7m), and its assets in February of this year stood at £9.2m (FFr 81.9m).

Continued from Page 1

Locatel's pre-tax profits in

several decades.

# **Illingworth Morris** fears £1m loss

Yorkshire textile group which makes men's overcoats under the "Crombie" label, may have losses of up to £1m for the first half of its current year.

The disclosure was made after a stormy annual meeting

of the company by Mrs. Pamela Mason, a director, former wife of the actor James Mason.

At a Press reception in London Mrs. Mason, Illingworth's largest shareholder, said that there must be some changes to the board, "but we may add rather than subtract."

ending March 31. "And then I saw the follow-

ing-up report, which will be out U.S. in December, which says that the disaster has been carried on into even more frightening figures."

Mrs. Mason has initiated appointment of Mr. Thomas close to the White House."
Yeardye to the Board as an She later told journalists: "If Yeardye to the Board as an executive director responsible for international operations. Mr. Yeardye, 49, is a former managing director of Carmen Curler Company of North America and a former escort of Miss Diana Dors.

Mason's followed one of the most eventful and colourful annual meetings that the City has seen for some time. Ranged against Mrs. Mason were members of her family, who voted against reelection of Mrs. Mason and her son, Mr. Morgan Mason, to the Illingworth Board, and appointment of Peat Marwick in place company's auditors.

ILLINGWORTH MORRIS, the said: "none of my family have spoken to each other. My uncle Maurice Ostrer, and my father Isidore Ostrer, were not speak-ing to each other for two years before they both died within three months of each other."

> Mrs. Mason's cousin, Mr. Darryl Ostrer, led the attack at yesterday's meeting "as a ges-

He questioned Mr. Morgan Mason's effectiveness as a Board member, claiming that he never turned up at Board meetings or annual general meetings. Mr. Mason was absent yester day, and was represented by Miss Portland Mason, Mrs.

Mrs. Mason said that Mason was helping Mr. Ronald Reagan raise funds for his Presidential campaign in the

"It is my hope," she told shareholders, "that if Reagan becomes President of the U.S. we will have a considerable asset in being able to get very

we are allowed to put our skull the White House by dressing the President, it will be better advertising than the rabbit that climbed into President Carter's

In spite of the attack by members of her family, which caused the re-election of Mr. Morgan Mason and the adoption of Peat Marwick to go to a poll, Mrs. Maron's shareholding of 46 per cent, over half of the shares that were eligible to vote, were sufficient to carry the day. The stockbrokers Sebag and

of Price Waterhouse as the have been appointed to handle other financial affairs of the After the meeting Mrs. Mason group.

# Workforce rejects **Tube agreement**

BY NICK GARNETT, LABOUR STAFF

last year of DM 815m (£211.55m) and 1,700 em-ployees. It has had business dealings with General Foods for LOCAL DELEGATES of the tions early next year.

National Union of Railwaymen, London Transport by Cadbury Schweppes' acquisi-tion of the U.S. rights for HAG coffee is in line with its present national officers and London policy, in common with other UK food manufacturers, of expansion in the massive North American food and drinks

yesterday that the agreement, allowing one-man operations on the Circle Line and the Ham-mersmith and City section of the Metropolitan Line, still stood. It would have to try to lines so persuade its Tube members have a traffic.

could be achieved.

The union said it would take into full account anxieties expressed by the local delegates about working rates, during negotiations ton these with man-

agement.
The decision by the union's district council for London Transport appears to jeopardise plans to begin one-man opera-

London Transport has been operation agreement for more than a decade and would like nificant increase in productivity and help reduce financial losses.

Branch delegates have told their executive that the workprovided for in the agreement, and is worried about the time available for rest periods on lines such as the Circle, which have a high concentration of

least £100 basic a week.

A union spokesman said the agreement could provide no more money, but problems on working conditions would be reviewed after six months

representing 15,000 workers on the London Underground, have rejected an agreement on oneman operations, signed earlier this month, between the union's Transport.

The union's executive said

pressing for such a one-man to see one-man operations throughout the Underground. This, it says, will lead to a sig-

Under the agreement, all one man operators would receive £89.42 for 40 hours, and a 71 per cent bonus. Delegates said they wanted a guarantee of at

### Weather

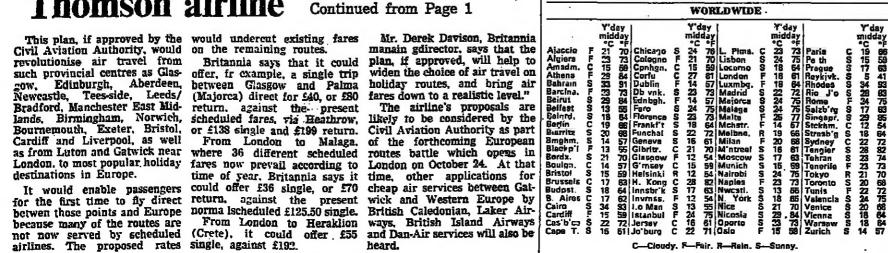
UK TODAY MOST places will be dry with sunny periods.

London, Midlands, S. Wales,

Cent. S., S.W., B., and Cent. N. England, S. Wales Fog patches at first. Dry. with unny periods. Max. 17C (63F). Rest of England, Channel Is., N. Wales, N. Ireland,

Isle of Man, Scotland (except N.W.)
Dry, sunny periods. Max. 17C N.W. Scotland, Orkney,

Shetland Cloudy at times, with showers. Max. 14C (57F). Outlook: Dry, sunny periods. Some light rain in N. Scotland.



C-Cloudy, F-Fair, R-Rain, S-Sunny,

THE LEX COLUMN

# A long, hard road for Dunlop

DUNLOP

Pre-tax profits

Dunlop's progress towards restoring the fortunes of its European tyre business has been swamped in the first half of this year by its high financial gearing, a reduction in profits from the engineering side and the cost of the haulage strike. Interim operating profits are unchanged at £32m, but there is a fall to £16m from £22m pre-tax and at the attributable level, after an agonising tax charge, nothing is left.

But tyre trading does seem to be showing some improvement. The German business is making prefits, and UK operating losses have been haived. After higher finance charges the European tyre division probably reduced its loss slightly to around £10m in the six months.

Debt is still rising, stringent control of working capital should mean the cash outflow this year is nowhere near as bad as last year's £62m. Inevitably, though, the attempt to keep the increase in borrowings down to, say, £30m requires substantial pruning of capital

spending.
Dunlop will do well to make £35m pre-tax in the full year (£43m in 1978), unless sterling falls sharply end flatters the overseas earnings. Next year there may be further loss elimination in tyres, more growth overseas and, if interest rates fall, a lower finance charge. But achieving anything like a reasonable return on the European tyre business will be long and arduous struggle and the shares, up 1p yesterday at 58p, are buoyed up chiefly by faith that Dunlop will continue to maintain its dividend. The yield is 13.7 per cent.

After five years of uncertainty, Vickers is now going to possibly lengthy arbitration over compen-sation for its nationalised shipbuilding assets. And no progress has been made over its fiolding in British Aircraft Corporation. Meanwhile the trading position is not bright.

Thus although profits for the half year are up from £5.2m to £6.4m pre-tax, last year's figures include losses of £3m on offshore engineering, which has since been sold off. In addition, the latest figures include an extra £1m or so of interest on down-payments for the nationalised However the other activities

are doing better, and Vickers might have been heading for, sav. £15m for the year (against £11.7m) but for the engineering strike. Its balance sheet is still

in reasonable shape. But the long delay in compensation must be having an increasingly damaging impact on the long term prospects for expanding husi-resses like Howson-Algraphy. Not surprisingly, the shares have been looking sickly in the last few weeks: at 151p, they yield

### Insurance brokers Last year C. T. Bowring

94 per cent.

to steer relatively managed clear of the kind of insurance problems which Alexander Howden squarely off its pedestal. But the interim figures from the two groups give a hint that the latter may have recovered some of its touch while Bowring now faces the full impact of higher interest rates on its instalment credit operation. Certainly the share price of Bowring dipped 5p to 118p on a fall in profits scope to pay out much more if from £19.8m to £17.9m pre-tax it so wishes. coupled with a warning about the full year profits. In contrast Howden's share price picked up 6p to 93p on the news of only a 3 per cent drop to £11.1m at the half-way stage and a suggestion that the full year could

show the start of a recovery.

Taken together, the strength
of sterling and the negative impact of high money costs on its enough to offset a rising trend some stage, a fall in interest holders voting Howden's performance

Index rose 3.1 to 473.0 year's badly timed rights issue which has hoosted investment income. Earnings per share are down more seriously, by a matter of a fifth. Broking conditions have ben poor, with pre-mium rates under often intense pressure, but the group has taken the axe effectively to its swollen costs. nO a maintained dividend the yield is 11.2 per

### George Wimpey

This time last year Wimpey upset the stock market by announcing a surprisingly bad set of interim profit figures, and it has done the same again. Pre-tax profits of £8.4m are 42 per cent down on last year's lepressed figure, and it seems likely that for the first time for nearly a decade Wimpey will report lower profits in calend 1979 (£50m perhaps, agair £57.2m).

The company warned in Jur that bad weather in the openin, months of this year had taken a serious toll of its UK business. Its contracting, open cast min-lng and building operations have all been running badly behind schedule as a result of the weather and to catch up Wimpey has been incurring heavy overtime payments.

But there is more to this dismal performance than just the poor weather. In common with other big contractors, Wimpey is experiencing a sharp reduction in its Middle Eastern workload and potential big markets such as Iran are now virtually closed. Against this Wimpey has an exceptionally strong balance sheet, a growing property portfolio and expects
"satisfactory results in 1980." Assuming a 4p gross dividend the shares at 79p, yield 4.1 per cent. Of course Wimpey has

### Dalgety/Spillers

It is hard to understand why Dalgety did not time more carefully the announcement of its decision not to raise its offer for Spillers. The statement emerged last night only one day after Dalgety had sent out a circular to Spillers' share-Bowmaker subsidiary probably holders which left open the cost Bowring over £8m in question of an improvment in January-June. However, the the terms. With the offer closin finance costs, and a fall in rates and the first real benefits scarcely get the latest news in profits from Australia and Roneo of the planned pooling arrange—time for it to have any effect on ment with Marsh and McLennan—the outcome. The offer can, of business is having a bad time Assuming a 7p gross dividend course be further extended; but. partly as a result of falling for the year, the prospective Dalgety's chances are to slender export margins.

Dalgety's chances are to slender to permit it to squander any to permit it to squander any is tactical impact at all.

# Patek Philippe. Hand-crafted in 1839, the founding year of Patek Philippe. finishing a watch entirely by hand was the rule. Today it is the exception. Should rare watches made in this way appeal to you. so will our colour brochure The 7 Crafts of Patek Philippe Please write to: Patek Philippe (U.K.) Ltd., Dept FTE, P.O. Box 35. Maidenhead, Berkshire SL6 3BQ Patek Philippe: Golden Blipse with exclusive .18 ct. blue-coloured

Registered et the Post Office. Printed by St. Element's Press for and published by the Renencial Times Ltd., Bracken House, Cannon Street, London, ECAP 4BY. C The Financial Times Ltd., 1979.